Trees and Transport — Two Production Fronts (p. 15-28)

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The Nation's Business

Wage Front Now Crux Of Inflation Fight

Donald Gordon's statement to the National War Labor Board this week may be taken as decisive evidence that Canada has reached a crisis in its wage-price stabilization program.

Today that policy is threatened because of failure to curb wage increases. Said Mr. Gordon:

"It is not for the WPTB to say that maintenance of the price ceiling is more important than allowing increased wage rates or, for that matter, increased farm prices. But it is the duty of the board to point out that such increases will, in all cases, weaken the price ceiling and if carried far, will destroy it.

"The people of Canada will have to decide which they want more. If any group feels that it can get wage increases without threatening the whole stabilization program, it must assume that—

"(1) The rest of the people will refrain from seeking concessions for themselves; and,

"(2) That the rest of the people will be willing to take on a greater share of the war burden.

Mr. Gordon seems to assume that demands for upward adjustments of wages are inevitable. But he makes it very clear that there is no hope for survival of the price ceiling if government gives way to such demands, and if employers, manufacturers, farmers and other groups in society try to pass on the increased cost of production by raising their prices.

The only hope for averting disaster is, according to Mr. Gordon, that other Canadians will refrain from seeking concessions; will take on a greater share of the war burden.

Viewed realistically these hopes rest on the weakest of foundations. What chance is there of the Canadian farmer refraining from pressure for higher prices if his wage rates increase? How can the manufacturer or entrepreneur "refrain from seeking concessions" if his production costs keep climbing?

Very effectively Mr. Gordon has portrayed the impasse at which Canada's price-wage policy has arrived. He offered no specific solution. But the implication of his submission is clear.

The success or failure of our anti-inflationary battle will now be determined on the wage front, and the battle there is out of Mr. Gordon's sphere. It depends on Mr. Justice McTague of the National War Labor Board and above all on the administration.

By their ready and eager co-operation on rationing, in helping enforce the price ceiling, in helping the whole cumbersome, bothersome system of price control to work, the Canadian people have shown abundantly their anxiety to win the battle against inflation. They have shown this in their readiness to accept painful taxation; in their sacrificial purchases of Victory Bonds.

So far the record of the administration in dealing with the wage problem has been tragically weak. It has been a policy of selling out to one section of the community in direct opposition to the will of the community as a whole.

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DEFINING FRIENDS AND ENEMIES

Formal dissolution of the Comintern promises to do much to clear up profound and widespread confusion about Communist enemies at home and Communist allies abroad.

At home, our Communists are revolutionaries. They are committed to wrecking our social, economic and political system; to bringing about revolution by violence; to breaking our laws and to poisoning our whole national life so that our collapse would be sudden and complete. They have no more interest in our victory than a Nazi-Fascist saboteur.

It has been difficult for the Canadian public to realize that because the entry of Russia into the war gave these revolutionaries a chance to claim kinship with Soviet Russia. Vaguely, emotionally, the public has argued: Russia is making a gallant stand against our common enemy, Germany; Russia is Communist; therefore Communism must be all right; therefore, also, our Canadian Communists are good citizens.

There have been two things wrong with that "reasoning."

The first is that Russia has not been truly Communist since Lenin died. Stalin has largely liquidated Communism. Davies' "Mission to Moscow" is abundant proof of that.

The second is that Canadian Communists—like British and American Communists—are committed less to an economic-political philosophy than to destruction. They are revolutionaries.

Dissolution of the Comintern should help to clarify the facts in the public mind: Soviet Russia is Soviet Russia; Communism is Communism. The two are not necessarily synonymous.

Let us continue to aid Russia all we can.

Let us continue to stamp out Communism in Canada.

Communists are our enemies just as much as Nazis or Fascists, and we now have Mr. Stalin's implied blessing in treating them as such.

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DISTINGUISHING FACT AND THEORY

Many proponents of sweeping social security measures advance in support of their plans the argument that how much the state spends doesn't matter; that it doesn't matter if the state goes on year after year piling up additions to its national debt.

Support for this comforting view has come from such outstanding figures in the world of economics as Lord Keynes and Dr. Alvin Hansen, adviser to the U. S. Federal Reserve Board.

This economic "school" has held that public debt is different from private debt, since it is owed to the whole community and that its expansion can be an instrument of national prosperity.

An examination of this economic philosophy of "deficit spending" has just come from an important voice, Dr. Harold G. Moulton, president of the Brookings Institution.

The Brookings Institution head directly refutes this contention:

"Unless and until the philosophy of deficit spending is repudiated as a postwar policy, fiscal uncertainty will be a powerful deterrent to private investment and capital expansion. Fears of a breakdown of government credit, of inflation and of eventual repudiation in one form or another serve inevitably to discourage long-term capital commitments.

"Under such circumstances unemployment continues and in consequence of this there is continuing and increasing need for public assistance. Thus the drift toward an ever expanding scale of public expenditure and public enterprise proceeds, even though no responsible group can be in favor of collectivism."

One really important point Dr. Moulton makes is this: There is a very great difference between what is possible and desirable in economic theory and what is practicable on the down-to-earth plane where the world's work is done.

The thing that makes business, which makes and maintains jobs for the masses of the community, which makes prosperity and gives social security is the confidence of businessmen that money and effort expended today will produce profit tomorrow, next year or five years hence. That confidence is the indispensable foundation of enterprise.

Dr. Moulton recognizes that elemental fact. He recognizes that economic theories of the possible will not transform the individual businessman's estimate of the likely. And the key to the health of the free enterprise system is how the masses of individual businessmen measure, appraise, size-up the likely.

Dr. Moulton's study called "The New Philosophy of Public Debt" will likely prove one of the most contentious economic pamphlets of the year.

Tram Strike Aftermath Is Confused

Ottawa Version of Mitchell's Order Denied by Heads of Catholic Syndicate

By STAFF WRITER

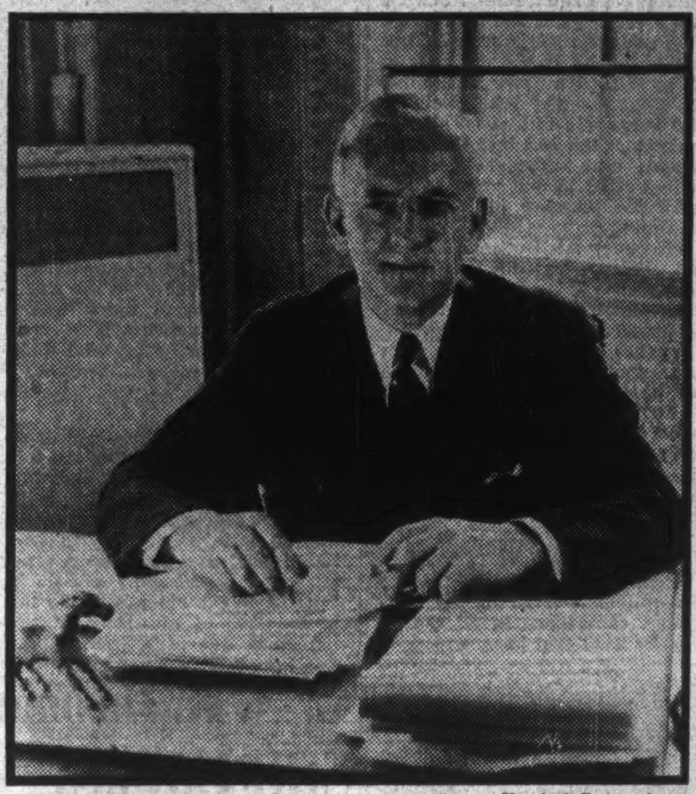
OTTAWA.—Willingness of rival unions to waive their "rights" and combine with the CIO in making a joint appeal to the National War Labor Board at Ottawa is given here as the real reason for the sudden reversal in the Montreal Tramways tangled labor situation this week. The fact that the unions are apparently willing to join in an appeal does not mean the end of the Tramways jurisdictional dispute. Rival unions still maintain the question of who shall act as bargaining agent is unsettled.

On May 19 the National War Labor Board refused to hear a Montreal Tramways appeal from the Quebec Regional Board, because it said the appellants (CIO union) had not proven by lawful processes their right to appear before the board. The NWLB accordingly asked the Minister of Labor to clarify the situation.

Mr. Mitchell thereupon acted on

(Continued on page 2, col. 6)

F. D. R.'s Adviser on Canada



—Harris & Ewing photo.

Important figure behind the scenes in Canada-United States relations is Nova Scotia-born Lauchlin Currie, long a member of President Roosevelt's "Kitchen Cabinet" of personal and confidential advisers. Born 41 years ago, he reached Washington by way of economic studies at the University of London, and Harvard, speedily became one of F. D. R.'s administrative assistants. He has had many special assignments, has kept a watchful eye cocked across the border on his native Canada, is likely to play a major role in framing joint postwar economic policies.

Elson from Washington

Churchill Maps the Attack

By ROBERT T. ELSON

● The Churchill Roosevelt conferences now make certain points clear. The keys to future action were provided by the British Prime Minister when he spoke with utmost frankness to the press both off and on the record.

These are the points he made on the record:

First, the Japanese war in coming months will have, if not an equal priority with Europe in immediate action, at least an equal priority in respect to future plans. The Prime Minister made the flat statement that the war would be prosecuted with growing intensity against Japan.

Second, the foundation stone of Anglo-American strategy is support for Russia, to take some of the weight off the people of whom Mr. Churchill said have been grand allies.

Third, in conferences both on and off the record this week—and Churchill saw British and Dominion correspondents, including the writer, off the record—the British Prime Minister stressed again and again the fact that the battle of production has been won. He gave us the impression that at last there is not only enough to go around but some to spare. We have won superiority in the air and over the U-boat at sea, thanks to the margin of American and Canadian shipbuilding. The way Churchill put it is that the problem now is that of application, not of production.

Fourth, the leaders have decided to press home the bombing attack without neglecting the other means for reducing the enemy in the European front. Churchill made it clear we have won such clear superiority in the air that neither Japan nor Germany can now touch us. The British Prime Minister said it was poetic justice that the weapon with which Germany had planned to conquer the world has now turned against her.

Fifth, although the leaders stand firm on the unconditional surrender

- **Churchill Makes It Plain That Battle of Production Has Been Won**
- **Importance of Italy in the War Has Been Underrated in Most Quarters**
- **Canada and U. S. Plan Joint Programming of Exports to South America**

ultimatum issued at Casablanca, Churchill this week issued a tacit invitation for Italy to get out of the war. He told the Italians they would be better to throw over their leaders and throw themselves on the mercy of the people they have so greatly offended. But he also told them that the allies had no intention of harming the native soil of Italy.

● In Canada and elsewhere a misleading impression has spread that Italy in the war is a debit to Germany, an asset for us. Nothing is farther from the truth. Italy prostrate means that the Axis cannot garrison the Balkans and that great airfields will be open to British and American bombers to blacken and burn the great cities of Bavaria and middle Europe. Italy still has a chance to save herself but Churchill made it clear that only the Italian people can make this decision.

Churchill left unanswered in his talks with us only one question—where do the Allies strike next?

Best answer within the limits of military security — but not from Churchill—is a series of multiple attacks that will bleed Hitler on many fronts.

● A new Canadian-American agreement for joint programming of exports to the other American republics has been announced here effective June 1. The objective is to assure that goods exported to Latin America will be utilized to the best interest of the war effort and to maintain the joint economy of those countries.

Operational details of the new scheme, it is reported, remain to be worked out by the Department of State, the Board of Economic Warfare and Canadian officials. Canadian diplomatic representatives in South America will work closely with U. S. agencies, which control U. S. imports there.

These agencies are now functioning within most South American republics and certify orders for goods exported from the United States. Presumably these same agencies will not control imports from Canada.

Necessity for such arrangements arises from the shipping shortage,

(Continued on page 2, col. 3)

New Priority System Soon In Effect

Changes Designed to Simplify Procedure; Manufacturers Have 24 Classifications

By STAFF WRITER

OTTAWA. — Every business or industrial purchaser of goods or commodities valued at $25 or more must, after June 7, conform to Canada's new Program Classification System (PCS), latest stage in war priority procedure.

These PCS regulations include all types of businesses with a few exceptions, such as purchases from or by retailers, payments for services, purchases from public utilities but not those made by this industry, purchases at auction, on organized exchanges and of raw commodities prior to any processing. The order applies to the producer or processor, not, except indirectly, to the retailer or consumer.

PCS is a home-made product intended to provide an informal identification code, grouping all manufacturing and processing in Canada under 24 classifications.

In a sense, PCS replaces the ill-fated and incomprehensible Allocation Classification System, based on the "end use" of materials, which became so entangled in its own paper work that it was finally abandoned both in United States and Canada at the end of last year. ACS had over 300 subdivisions for identification of purchase orders. It was designed at Washington and was supposed to be international.

A Canadian Measure

The new PCS program has but 24 classifications and applies only to Canada. It aims to give Ottawa a rough and ready statistical yardstick by which to measure requirements of essential material.

It will be used by Ottawa in the distribution of critical materials to war and essential civilian programs, to obtain information necessary in presenting material requirements to the United States, and to provide industry itself with information for completing priority applications.

Ends Rating Extensions

The new coding plan modifies and consolidates previous orders. It affects only purchases within Canada. U. S. preferential ratings are, therefore, no longer extended from one Canadian firm to another.

In future, U. S. preference ratings within Canada are abolished and U. S. paper work is now necessary only for those firms which themselves import critical materials (steel, copper and aluminum) direct.

Thus, for the third quarter, priority officials in Canada are hoping to cut the forms for U. S. preference ratings to three—PB 1005 for use of large importers; PB 1007 for small importers, and PB 1010 for distributors.

Code Numbers for Identification

In the following list of 24 code numbers which comprise PCS, numbers do not indicate order of importance but merely identify products and materials with specified programs. In addition to PB4 (which sets up the PCS code numbers) there is a special and separate documen-

(Continued on page 2, col. 3)

Gordon Throws Ball To Wage Controllers

Hint New Formula to Bolster Wobbly Structure; War Labor Board Hearings Indicate Return to Old Basis Impossible

By KENNETH R. WILSON

OTTAWA.—With at least three weeks more of sittings ahead of it, enough has been heard by the National War Labor Board in its wage-labor enquiry to warrant the assertion that a return to the old wage-price stabilization policy of 1941-42 is impossible.

If anything were needed to confirm that view, it is to be found in the Tuesday testimony of Donald Gordon (see page 7). Mr. Gordon appeared to observers here to be paving the way for some compromise formula which would break the present wage-price impasse.

He offered no solution but he showed clearly the almost impossible price which would have to be paid for further wage increases within the present price ceiling.

Although Mr. Gordon was scrupulously careful not to overstep the bounds of propriety as a civil servant, he made it also very clear that the old wage and price control were not two separate compartments and that the Price Board could not continue to do its job apart from the National War Labor Board and government labor policy in general.

Compromise Formula?

It now looks as if some compromise formula will have to be reached by Justice McTague and his colleagues — a formula along these lines:

(1) Some further wage concessions to equalize those already given by the government to the Crows Nest Pass coal decision; the steel decision, etc.

(2) A new labor relations code with important innovations for Canada, probably along the lines of compulsory arbitration.

What has been evident in representations made before NWLB is that at the present time labor organizations have seized the initiative and that they have been aided in so doing by the government itself. It seems plain that it is the government's own decisions which are most responsible for undermining the present wage-price policy.

All Seek Raises

For example in recent days, coal mining interests have made representations in respect of coal wages thrown out of kilter by the government's action in raising rates in Vancouver Island to the $5.78 per day minimum rate. This rate previously prevailed only in the Crows Nest area.

It was a special rate given originally because the mine in question normally worked only three days a week. It compares with a basic Edmonton (western) rate of $4.20 and a Maritime rate of $3.91. Now all coal miners are seeking a national minimum of $5.78.

Similarly in the steel decision. Now being realized is the impossibility of isolating even a 50 cents per hour basic minimum rate within the steel industry. Pressure has risen all across the country to have this minimum incorporated into common labor pay schedules.

Another difficulty has been the action of the government in setting up special wage conditions for its own crown companies.

One of the most recent and controversial has been Polymer Corp., which has been freed by special order-in-council from all restraint in respect of wage rates and which is reported to have enticed men from shipbuilding and other essential work by its new and much higher levels of wage rates.

Another anomaly is the lack of common policy in payment of the cost-of-living bonus.

When cost-of-living bonus was first introduced it was not mandatory but was merely paid at the discretion of employers. At the time labor representatives accepted the bonus policy in lieu of increased basic wage rates.

Because payment of the bonus was not made mandatory until a year later labor now sees one group being paid a bonus of say 90 cents and another group a bonus of $4.25. Since the bonus is usually regarded as a special war indemnity workers cannot understand why the amount is not uniform for all.

Underlying the representations is the dominant fact that, compared with the urgent necessity of getting war production and of enlisting the co-operation of labor in the war effort, even the government's anti-inflation program takes second place.

For this reason and in light of the government's own policy in "breaking through" the earlier wage ceiling, it is thought that some further wage concessions to "level" off the present high points will be forthcoming.

Gordon Expected to Head New Clothing Committee

By STAFF WRITER

OTTAWA.—Donald Gordon, chairman of the WPTB, is expected to be named chairman of the National Textile and Leather Requirements Committee, shortly to be organized with wide authority over the allocation of all textile and leather goods.

Purpose of the new five-man committee is to co-ordinate control, promote production, increase available supply and ensure equitable distribution. Membership will include representatives of each of the armed services and the Department of Munitions and Supply. The committee will report direct to the War Committee of the Cabinet.

Committee's Duties

Within its general responsibility for over-all allocation of available supplies of textiles and leather for use by the armed forces, civilian population, war and civilian industry and essential exports, the committee has the power and duty of

(a) reviewing all requirements for textiles and leather (having due regard to existing stocks and inventories) by or for the purposes of the armed forces, the civilian population, industry, exports and any other persons or purposes, and of ordering reports and returns to be made to the committee by the armed forces and by any persons requiring a supply of textiles or leather;

(b) reviewing domestic production and other sources of supply of textiles and leather, and of ordering reports and returns thereon to be made to the committee by any persons as the committee may from time to time direct;

(c) investigating and making recommendations regarding specifications of and uses made by the armed forces, the civilian population and industry of textiles and leather, for the purpose of securing economies in and making more effective use of available supplies;

(d) making allocations of the available supplies of textiles and leather as among the several branches of the armed forces, the civilian population, industry and essential exports so as to effect equitable distribution according to their relative needs;

(e) making reports and recommendations to WPTB with respect to production and supply of textiles and leather;

(f) examining into and investigating any situation or practice which in the opinion of the committee is or may be interfering with or prejudicing equitable distribution to the armed forces, the civilian population, industry, essential exports or to other persons.

British Columbia Fruit Growers Expect Smaller Crops This Year

From Our Own Correspondent

VANCOUVER. — Fruit growers are beginning to make their seasonal harvest survey, and the outlook in some sections of the important Okanagan district in British Columbia is none too favorable.

The long cold winter will interfere with the pack in the northern section of the valley, and peaches are likely to be a failure.

The situation improves as the survey moves southward. It is still too early for an expression of worthwhile opinion regarding the apple crop, which is by far the most important. The general expectation is that it will be slightly less than in 1942, when more than 10,000 carloads were shipped, for an all-time record.

The principal anxiety of the fruit growers in the Okanagan as well as of farmers throughout British Columbia is the shortage of labor. So far the response of farmers to questionnaires sent out for applications for land army labor has been unsatisfactory. Despite all efforts to dispel the impression, farmers still are sceptical regarding volunteer workers and many of them would apparently prefer to take their chance with casual labor than sign up for untried city workers.

Telling Americans Our Story

WIB at New York Seen Doing Big Job

By STAFF WRITER

NEW YORK.—Most of a day spent examining the operations of the New York office of Canada's Wartime Information Board indicates to this writer that Canada is getting good returns for the dollars this office costs and that the dividends will continue to increase.

New York is the nerve-centre of the American communications network—of magazine and book publishing, of daily news associations, of radio, of pictures and of advertising planning.

Because of the extreme importance of Canada standing high in the respect of Americans during the remainder of the war, but especially during the peace settlement and afterward, the WIB job at New York is by far the most important phase of the WIB enterprises. This office alone is discussed here.

Some Canadians were recently shocked to hear that WIB had cost over half a million dollars; that some WIB staff members were being paid around $7,500 and that one American was being paid $12,000.

Not how much money is spent, but what we get for our money, is the question to be answered.

Whatever $7,500 a year may sound like in Canada, the fact is that in New York, such a salary is worth about half as much as in Toronto or Ottawa.

Expenses High

Furthermore, because of the nature of the job, WIB men inevitably do much of their most valuable work over a lunch or dinner table or at social get-togethers of one kind and another. Because civil service and treasury routines give New York's WIB men the same expense account pattern as for a junior postmistress, travelling from Blackwater Junction to Willow Point, WIB men end up, day after day, spending sizeable chunks of their own money for doing government business — money that they can never get back on expense accounts.

Most of the people with whom our WIB men must work—people whose co-operation they must win —earn twice to ten times as much as they do.

Cost of the entire WIB enterprise Sept. 9, 1942 to Feb. 13, 1943, was given as $579,000. Of this, $261,000 went to the National Film Board. How much of the remaining $318,000 for information went to the New York office is not revealed but I have been given an informed estimate of under $100,000.

Underspending can be just as bad a fault as overspending when an important job is involved.

This writer suspects that, if anything, the New York office of WIB isn't getting enough WIB funds to take full advantage of its opportunities for building Canada's good name among Americans.

Results Impressive

Results of its work to date are most impressive. Its success and achievement clearly indicate that the New York job of WIB is one that Canadians should now regard as permanent; that its contribution to North American understanding and welfare will be as great in peace as it is in war.

Precise measurement of a public relations program is impossible. How much unfavorable publicity in United States publications and legislative halls WIB has prevented can never be known.

How much favorable publicity for Canada WIB at New York has a hand in getting into United States publications, radio chains and motion pictures cannot be measured, either.

But that there has been an enormous increase in the amount of space given to Canada in United States publications is

(Continued on page 4)

Recently the expenditures of Canada's War Information Board have been under fire at Ottawa. A Financial Post staff writer, who studied the operations of WIB's New York office, reports that indcations are the organization has been doing a remarkably fine job at a low cost.

MEN'S SHOP
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Here is a smart, durable windbreaker that will serve you well, whether you wear it for work, on the links, on Summer camps or for Victory gardening. Fashioned from "Penguin" cloth, a sturdy cotton material treated for wind and shower resistance, they come with full zipper front and two handy pockets. Sand and Air Force blue. Sizes 36 to 44. Each 6.95

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The Men's Shop
Civil and Military Outfitters

EATON'S-COLLEGE STREET

Amalgamated Oils final decision on whether to wind up may be governed by the result obtained in Devonian No. 1 well, the deep test of the Devonian limestone formation which underlies the Madison lime from which present Turner Valley production is being taken. No dividends have been paid since winding up was first brought to the fore last November. Balance sheet shows current assets of $124,163 as at Jan. 31, 1943, against current liabilities of $21,813, leaving working capital of $102,350, equal to nearly seven cents a share.

What Every Investor Should Know

Investors, treasurers, trustees, public officials, accountants, lawyers, investment dealers, and all who are looked to for investment facts, will find this new, 1943 edition of SURVEY OF CORPORATE SECURITIES, invaluable. Covers 1500 Canadian companies with listed and unlisted securities. Shows comparative strength and earnings. Gives dividend records—a handy check for income tax purposes. Names directors, registrars and transfer agents and shows what exchanges securities are listed on. Lists offices, plants and subsidiaries.

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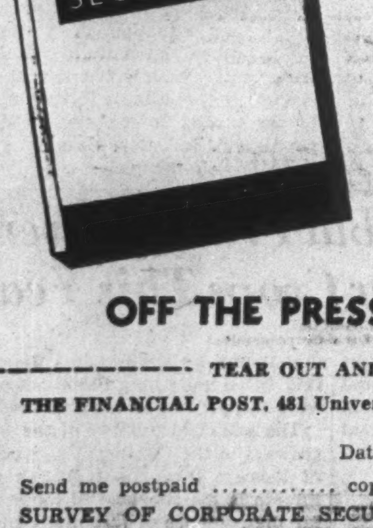

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The War and Business

By BRUCE MacKINNON

Canoe Race

The fillip given to molded plywood technique through wartime jobs such as building airplane wings is bound to turn the small pleasure boat business almost 100% over to plywood construction after the war, we are told. An engineer states that building a canoe would require about $12 worth of plywood, plus an easily constructed wooden mold, molding bags, etc. Cost of a completed canoe in mass production might be $25, depending on quantity. Quality of design and strength would be equal to the best handmade models, now costing $100 and higher.

One problem in molding canoes would be the compound curves in the structure which would place greater strain on the material than do the simpler curves of airplane wings. This may demand a different selection of woods from those now used, but the problem is expected to yield rapidly under research. Because of the tremendous saving in cost, our authority expects a race to get into the business after the war, with production of canoes, rowboats and dinghies becoming considerably more concentrated than in the past.

• • •

Easier Supplies

One of the first official signs of an easing supply situation is the permit to barbed wire manufacturers to increase production. While the same restrictions on style simplification remain in force, the manufacturers are being granted a stepup of about 40% in their steel allowance. It will amount to about 2,400 tons, or less than a tenth of 1% of Canada's total steel capacity, but it is understood that this amount is not being taken at the expense of any war industry. Need for more barbed wire is obviously fairly high in essentiality, goes hand in hand with increased livestock production.

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Victory Through Airpower

Some measure of the current success of bombing raids on Germany can be gained by comparing today's raids with the "Baedeker" bombings of Exeter, Bath, Norwich and York a year ago April. In those raids the Nazis dropped 225 tons of bombs in six days for a loss of 17 planes. Over Dortmund last week end the RAF dropped 2,000 tons for a loss of 38 planes. Aside from the fact that the RAF dropped nine times as great a bomb weight in one night as the Luftwaffe dropped in six days and consequently is about 54 times as effective, the Dortmund raids cost slightly less than 25% as many planes as the Baedeker raids after allowing for the difference in tonnage.

Another way to look at it is that Dortmund got over four times as great weight of bombs as did London on its heaviest blitz day. Yet London's population is 16 times greater than Dortmund's. Size for size, Dortmund got 64 times as heavy a pasting as London took on its worst day.

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U-Boat Campaign

A convoy officer home on leave has optimistic news of the anti-U-boat campaign. In 62 convoy trips he has never been torpedoed once and has seen only one freighter sent to the bottom. The lone casualty occurred while another U-boat was being attacked (it was sunk) by a corvette and two other escort vessels withdrew to be in at the kill. Their absence gave a second sub its opportunity. Against that, we get the story from the Maritimes of a Canadian freighter, all of whose crew but one had been torpedoed at least once. One member of the crew is reported to have had four ships sunk under him in one voyage.

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Meat Scramble

Butchers report that for the past several Tuesdays business has been poor because customers thought the meatless rule applied to them as well as hotels and restaurants. But last Tuesday, two days before meat rationing, they did a land office business. Most customers were somewhat ashamed of their pre-rationing scramble, volunteered a variety of explanations for their purchases, such as unexpected guests, absence over the week end, etc. Many of the butchers still appear somewhat hazy over the details of rationing, with their customers still more in the dark.

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Marsh Rabbit

Muskrat was a favorite dish of eastern Indians, was eaten and relished by whites years ago, but slipped into disfavor. Now, with the meat shortage, it seems to be coming back, particularly in New Brunswick. It tastes like a cross between a rabbit and a wild duck, is easier to eat when called by the Indian name of "musquash," or the Louisiana title of "marsh rabbit."

Kerr-Addison Cuts Tonnage

Kerr-Addison Gold Mines will reduce its mill rate from approximately 2,100 tons to 1,650 tons daily, effective June 1, according to official announcement.

The step has been decided upon to maintain the required tonnage of broken ore reserves consistent with good mining practice and in view of the continuing reduction of the available supply of labor. An interim dividend of seven cents a share has been declared payable June 29 to shareholders of record June 1.

Elson from Washington

(Continued from page 1)

which is very tight in South America. But the so-called "decentralization" plan which Canada now joins has been under fire from United States foreign traders impatient of the red tape involved. C. S. Snider, chairman of the service committee of the Export Manager's Club, recently said in New York that it "puts control of imports in the hands of small groups who may be subject to outside influence in the distributon of their faovrs."
distribution of their favors."
because under the decentralization plan South American countries were encouraged to import bulk products from each other rather than draw on U. S. supplies. U. S. exports favor as an alternative the equal rationing of supplies sent from this continent.

Behind the export program and "decentralization" scheme is the idea that pooling of South American resources will ease the shipping drain on North America. With widening offensive action in many theatres, it is not possible to divert more shipping to take care of South American needs at present. The only alternative is organization and rationing to meet essential needs.

It is suggested that Canada's cooperation with the United States in this matter may lead to wider collaboration with Latin America in the postwar era.

HEADS AD CLUB

Lee Trenholm, director of public relations for Underwood Elliott Fisher Ltd., who has been elected president of the Advertising & Sales Club of Toronto. He succeeds Glen R. Bannerman, president of the Canadian Association of Broadcasters.

Toronto Ad Club Elects Officers

Advertising & Sales Club of Toronto has elected Lee Trenholm, public relations director for Underwood Elliott Fisher Ltd., president for the current year, succeeding Glen R. Bannerman.

Other officers and directors elected at the recent annual meeting were:

HARRY A. KAYES, Canadian Johns-Manville Co., vice-president; R. A. BARFORD, J. J. Gibbons Ltd., secretary; G. ALEC PHARE, R. C. Smith & Sons Ltd., treasurer; GEORGE S. BERTRAM, Swift Canadian Co., ERROL A. FRASER, E. L. Ruddy Co., PRATT KUHN, Winnipeg Newspaper Union, N. ROY PERRY, MacLean Publishing Co., ARTHUR A. PORTER, Canadian Institute of Public Opinion, ROBERT H. HOUGH, Canadian Street Car Advertising Co., KEN. W. TUCKEY, Bomac Engravers & Electrotypers, R. FRANK WILSON, Federated Hardware Mutuals, directors.

C. N. R. Income Still Upward

Over $2¼ Millions Boost in Net Revenue During Past Month

From Our Own Correspondent

MONTREAL.—Canadian National Railways boosted net revenues by $2¼ millions during April. Operating revenues advanced $10.1 millions to $38.04 millions, as compared with April last year, but expenses were up nearly $7.8 millions.

Cumulative returns for the four months of 1943 show operating revenues of $134.1 millions. This is an all-time record and compares with $107.9 millions for the like period of 1942.

Of the gain of $26.2 millions, $21.7 millions were swallowed up in higher operating expenses, leaving net returns of $26.8 millions, or $4.5 millions above the figure for the same months last year.

	1943	1942
April		
Oper. revenues ...	$38,444,000	$28,316,000
Oper. expenses ...	29,110,000	21,238,000
Net revenue	9,334,000	7,078,000
January to April		
Oper. revenues ...	$134,151,000	$107,939,000
Oper. expenses ...	107,337,000	85,636,000
Net revenue	26,814,000	22,303,000

Thompson-Lundmark Gold Mines had planned to drive a long cross cut this year from its No. 2 (Fraser vein) shaft to connect with the No. 1 (Kim vein) shaft and to develop the Kim vein for production through the Fraser shaft. Owing to acute labor shortage this plan had to be abandoned. Unless unexpected early improvement takes place, it may be necessary to close down the property after the summer. Operating profit amounted to $96,650 in the three months ended March 31, before allowance for taxes, depreciation and deferred development.

Astoria Quebec Gold Mines proposes to carry out diamond drilling under the direction of Mining Research Corp. It is planned to cross-section a wide carbonate zone.

Tram Strike Aftermath Is Confused

(Continued from page 1)

the board's advice and called for a vote to determine whether the Canadian Brotherhood of Railway Employees (CIO) was in fact the accredited representative of the workers.

Feared Adverse Vote?

Fearing an adverse vote, the two rival unions apparently made representations to the Minister and on May 22 a conference was called in which the unions agreed to withdraw their objections and present a united appeal to the NWLB. Mr. Mitchell so advised the board on May 24. The appeal will now be heard without a vote being taken.

The rival unions maintain that "when the appeal is disposed of the issue of the bargaining agent may then be determined in the appropriate manner."

Refusal of the NWLB to accept the CIO as appellant was a direct rebuke to H. Carl Goldenberg, who, according to the board, had seemingly gone "beyond the authority conferred upon him by the instrument which appointed him." In short, the NWLB refused to accept the authority of Mr. Goldenberg that an agency which had staged an illegal strike had by the Goldenberg "settlement" become the proper representatives of the workers.

The appeal for clarification was therefore made to Mr. Mitchell who made preparations for calling the vote until the rival unions themselves decided to waive their rights.

Unfavorable Reaction

From Our Own Correspondent

MONTREAL. — Whatever Hon. Humphrey Mitchell was aiming at, heads of the unions directly interested in the affairs of Montreal Tramways Co. have very few kind words to say of the Minister of Labor.

The letter from the minister to Mr. Justice McTague was given to the press by A. R. Mosher, head of the CBRE. It came just at the time when the tramway employees were to vote which union had the legal right to represent them in their appeal to the National War Labor Board regarding the bonus to employees which the Regional War Labor Board had disallowed.

In his letter to Mr. Justice McTague, Mr. Mitchell stated the Amalgamated Association of Street and Electrical Railway Employees of America had withdrawn their objection to the CIO union representing the men.

He also said: "The Catholic Syndicate, by wire to the Minister of Labor, have stated that they wish to endorse the appeal."

Deny Objection Withdrawn

Elphege Beaudoin, secretary of the AFL union and Alfred Charpentier, president of the Catholic Workers of Canada, deny that either in writing nor in conversation have they withdrawn their objection to CBRE acting as the sole representative of the tramway employees.

J. Spector, counsel for AFL's Association of Street and Electrical Railway Employees of America union, says AFL told the minister that there was no need to take a vote "and that we would be willing to let Mr. Mosher make his representations with ours and it was because of our request that the vote was withdrawn." On Mr. Mosher's claim that the other two unions had waived their jurisdictional rights in the matter of a vote, Mr. Spector insisted that Mr. Mosher was drawing on his imagination.

Catholic Syndicate View

Speaking for the National Catholic Syndicate, Mr. Charpentier told The Financial Post that he "regretted very deeply the report contained in the press. It does not conform to the truth as far as we are concerned."

Mr. Charpentier went on to say that the Syndicate objected to the vote as to which of the three unions should represent the men. "The appeal should be lodged by the three unions," he added, "and the decision should last for the duration."

If only one union made the appeal to the National War Labor Board, Mr. Charpentier said, there was the danger of another strike in the event of an unfavorable decision. If all three unions lodged an appeal, then they would be able to hold the men in check whichever way the vote went.

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Empire Oil Royalties is reported producing on a steady basis with seven wells hooked to the central pumping station. It is expected to have 14 wells on production within a week or so. Wells located in the old Dutton field, about 22 miles from St. Thomas, are reported capable of turning out 2¼ bbl. of oil a day each after reconditioning.

New Priority System Soon

(Continued from page 1)

tation for maintenance repair and operating supplies.

These items are specifically exempted from PB4 and are named in a schedule attached to the order. They are to be covered by a separate order PB5. The code numbers for PCS follow:

No. Program

PCS 1—AIRCRAFT

Covers materials, including sub-assemblies, physically incorporated into aircraft for Armed Services, during original manufacture or subsequent repair, overhaul and upkeep. It does NOT include commercial or private aircraft, or armament and ammunition.

PCS 2—CARGO VESSELS

Covers materials, including sub assemblies, physically incorporated into ocean-going cargo vessels, during original manufacture or subsequent repair, overhaul and upkeep. It does NOT include armament and ammunition.

PCS 3—NAVAL VESSELS

Covers materials, including sub-assemblies, physically incorporated into naval vessels, during original manufacture or subsequent repair, overhaul and upkeep. It does NOT include armament and ammunition.

PCS 4—TANKS AND ARMY COMBAT VEHICLES

Covers materials, including sub-assemblies, physically incorporated into tanks and army combat vehicles (including universal carriers, scout cars, reconnaissance cars) during original manufacture or subsequent repair, overhaul and upkeep. It does NOT include armament and ammunition.

PCS 5—MECHANIZED TRANSPORT VEHICLES

Covers materials, including sub-assemblies, physically incorporated into mechanized transport vehicles, during original manufacture or subsequent repair, overhaul and upkeep. It does NOT include armament and ammunition.

PCS 6—AMMUNITION

Covers materials, including component parts, physically incorporated into shells, bombs, small arms ammunition, ammunition boxes. It does NOT include ammunition for civilian use.

PCS 7—ARMAMENT AND WEAPONS

Covers materials, including sub-assemblies, physically incorporated into weapons of all types, including complete mounts and related equipment such as fire control instruments, anti-aircraft searchlights.

PCS 8—ARMY AND AIR FORCE EQUIPMENT AND SUPPLIES

Covers materials, including sub-assemblies, physically incorporated into any equipment or supplies for army or air force not specifically covered in PCS 1 through PCS 7 above, and also covers industrial machinery and equipment for use by the army or air force. It does NOT include supplies for maintenance, repair and operation of army and air force facilities, including camps, posts, bases, stations, air fields and depots, specifically covered under PCS 21.

PCS 9—NAVY EQUIPMENT AND SUPPLIES

Covers materials, including sub-assemblies, physically incorporated into any equipment or supplies for the navy not specifically covered in PCS 1 through PCS 7 above, and also covers industrial machinery and equipment for the navy. It does NOT include supplies for maintenance, repair and operation of navy facilities, including camps, posts, bases, stations and depots, specifically covered under PCS 21.

PCS 10 — CONSTRUCTION FOR THE ARMED SERVICES

Covers materials for construction of facilities to be used by the armed services, such as air fields, bases, camps, depots, forts, military roads, navy yards.

PCS 11 — CONSTRUCTION OF NEW MANUFACTURING PLANTS

Covers materials for construction of new manufacturing plants necessary to complete war contracts.

PCS 12—CONSTRUCTION—HOUSING

Covers all construction materials required to complete contracts placed by Wartime Housing Ltd., or any single housing project of 100 or more units approved by the Controller of Construction.

PCS 13—CONSTRUCTION—All other

Covers all materials for construction not specifically covered in PCS 10 through PCS 12. It excludes construction for Public Utilities and the Petroleum Industry (specifically covered under PCS 16 and PCS 17 respectively).

PCS 14—TRANSPORTATION—Railroads

Covers capital equipment including rolling stock, locomotives and allied equipment, and maintenance, repair and operating supplies for steam railways.

PCS 15—TRANSPORTATION—All other

Covers capital equipment and maintenance, repair and operating supplies for all other public transportation facilities, including street cars, buses, motor, commercial air and inland waterway transport.

PCS 16—POWER, LIGHT AND HEAT, COMMUNICATIONS AND OTHER UTILITIES

Covers capital equipment, construction and maintenance, repair and operating supplies for Public Utilities except transportation.

PCS 17—PETROLEUM

Covers capital equipment, construction and maintenance, repair and operating supplies for the petroleum industry. Storage facilities, drums, etc., are also included.

PCS 18 — INDUSTRIAL MACHINERY AND EQUIPMENT

Covers industrial machinery and equipment for all programs, and any materials physically incorporated into such machinery and equipment, except such items as may be used:

(a) for incorporation into military end products (PCS 1 through PCS 7).
(b) for use by the armed services (PCS 8 and PCS 9).
(c) for use by the transportation industry (PCS 14 and PCS 15).
(d) for use by public utilities (PCS 16).
(e) for use by the petroleum industry (PCS 17).
(f) food processing machinery and equipment (PCS 20).
(g) For use by persons engaged in mining non-strategic metals and minerals (PCS 24).

Replacement parts for industrial machinery and equipment used for purposes specified in (a), (b), (c), (d), (e) and (g) above are classified under the respective code numbers indicated for such items. Replacement parts for all other industrial machinery and equipment are classified under PCS 21, 22 or 23 as applicable.

PCS 19—AGRICULTURE

Covers materials including sub-assemblies, physically incorporated into agricultural machinery and equipment, either during original manufacture or subsequent repair, overhaul and upkeep.

PCS 20—FOOD PROCESSING MACHINERY AND EQUIPMENT

Covers materials, including sub-assemblies, physically incorporated into food processing machinery and equipment and includes food packing containers. Replacement parts for such equipment are not included, but are classified under PCS 21.

PCS 21—MAINTENANCE REPAIR AND OPERATING SUPPLIES—Schedule 3

Covers materials for maintenance or repair of any plant, facility or equipment producing any product or engaged in any industry, service or activity listed in Schedule 3 to this Order, or for necessary operating supplies for such production, industry, service or activity.

PCS 22—MAINTENANCE, REPAIR AND OPERATING SUPPLIES—Schedule 4

Covers materials for maintenance or repair of any plant, facility or equipment, producing any product or engaged in any industry, service or activity listed in Schedule 4 to this Order, or for necessary operating supplies for such production, industry, service or activity.

PCS 23—MAINTENANCE, REPAIR AND OPERATING SUPPLIES—All other

Covers maintenance, repair and operating supplies required by any person, not specifically covered under another code number of this Program Classification System.

Note: Maintenance, Repair and Operating Supplies

(a) If a single plant or operating unit is engaged in several activities which are classified under two or more of PCS 21, 22 or 23, and it is impracticable to apportion requirements for maintenance, repair and operating supplies between such activities, the principal activity alone shall be considered for purposes of determinating which code number may be applied under this Order.

(b) Maintenance, repair and operating supplies required by a manufacturing or construction contractor are NOT to be included in the same Program Classification as the manufactured product or the construction project, but are to be shown in PCS 21, 22 or 23 as applicable.

PCS 24—CIVILIAN EQUIPMENT, SUPPLIES AND ALL OTHERS

Covers all materials physically incorporated into products for non-military use not otherwise classified above, and capital equipment and maintenance, repair and operating supplies for persons engaged in the mining of non-strategic metals or minerals.

Note: Shipping Containers

Fabricated containers required for packaging or shipping a manufactured product are to be included in the same Program Classification as the manufactured product itself.

Capital Equipment

Capital Equipment required for use by a manufacturer or construction contractor is NOT to be included in the same Program Classification as the manufactured product or the construction project but is to be shown in PCS 18 or 20 as applicable.

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In Your Opinion—

Should Ontario Have An Election?

The Question: Do you think a wartime election is necessary in Ontario or in any other province where a comparable situation might exist?

Ewart C. Atkinson, K.C.

Former Conservative whip, provincial legislature, Fredericton, N.B.

No provincial government should hold office beyond the statutory limit as a matter of principle even in wartime unless the country is under actual or apparent invasion. Especially, should a provincial legislature be dissolved and the voice of the people heard when a change of leadership has taken place as in Ontario after the expiration of the life of the legislature.

Premier Hepburn was elected by the people's majority but not his successor, Premier Conant, or the present premier, Mr. Nixon. The demand for a provincial election is a matter of local autonomy and the citizens of Ontario or any other province are the persons to urge and demand what should be done as far as their government is concerned.

* * *

J. R. Burnett

Editor, Guardian, Charlottetown.

Circumstances alter cases. As a rule wartime elections are objectionable, distracting the attention of the populace from concentrated war efforts. Ontario provincial affairs from the Sirois report conference onward have been so mishandled that a new electoral mandate appears desirable. While as a rule wartime elections are to be deprecated, Ontario seems to provide the proverbial exception.

* * *

J. H. Cranston

Publisher, Free Press-Herald, Midland, Ont.

A wartime election is not absolutely necessary, but I believe it to be desirable, since the legislature has already outlived its mandate and legal existence by one year, and nearly 10% of the seats are vacant.

Postwar planning on a big scale must soon be undertaken, and newly elected government could plan with vision and assurance, whereas moribund administration cannot do so. It is quite possible people would prefer such planning to be done by either Conservatives or C.C.F. rather than Liberals, and it is their right to say. The Ontario government is not a war-making body and change could take place without interference with the national war effort.

* * *

R. K. Finlayson, K.C.

Well-known Winnipeg lawyer and delegate to Port Hope Conservative conference last fall.

All emergency powers are vested in the Dominion parliament. I can see no valid reason for the provinces themselves suspending normal constitutional safeguards in wartime.

Hugh C. Farthing, K.C.

Well-known Calgary lawyer and delegate to last fall's Port Hope Conservative conference.

For a resident of Alberta to say what Ontario should do would be impertinent but as principle is applicable in all provinces I think that elections should not be hastened and extension of the term desirable to six or seven years but no longer lest legislatures lose touch with the people with a consequent lowering of the respect for the parliamentary system for which we fight.

Present conditions in England are totally different but there are increasing complaints there of alleged staleness of parliament. Expense involved is much more justifiable than many current expenditures and time and effort entailed is far more beneficial than in many present activities.

* * *

Donald M. Fleming

Prominent in Toronto municipal circles, delegate to Port Hope Conservative conference last fall.

I consider an election in Ontario ought to be held as soon as military conditions permit the soldier vote to be taken. The present legislature was elected six years ago, two years before the war, under vastly different conditions from the present. The leader of the Government was elected in 1937 and since forced out of office and two subsequent changes made in the premiership. The present premier has no mandate whatever from the people of Ontario.

Democracy and its processes must be vindicated in wartime. I cannot see how a provincial election will interfere with the war effort. I cannot comment on the necessity of elections in other provinces without more intimate knowledge of political conditions there.

* * *

John T. Hackett, K.C.

Prominent Montreal lawyer and delegate to Port Hope Conservative convention last fall.

Nothing but an election can restore vigor and vision to a legislature whose mandate has not been renewed in five years. Nothing but an election can make it aware of large tendencies and give it the authority and stimulus necessary to the formation of a strong government. An election is the only alternative to continued bickering and vacillation. A wartime election is a lesser evil than a weak government. No good ever came out of a parliamentary rump. I favor constitutional methods and were I a voter in Ontario I would strive for an election.

* * *

Jean Charles Harvey

Editor, Le Jour, Montreal.

I do not know the conditions prevailing in other provinces, but as far as Quebec is concerned it would be much better to postpone the elections. Let us not give a minority of columnists and isolationists under the banner of the bloc populaire the chance of sabotaging much more of the reputation of our nation.

* * *

Thos. E. Henry

Mayor of Stratford, Ont.

The outstanding and only major problem at the present time is to win this war, honorably, unconditionally and eternally. Unless this is accomplished nothing else matters. There is no justification for the spending of money, the wasting of time and manpower at a time when every effort should be utilized for the preservation of those things that are dear to our homes and our country. The future of the world is of vastly more importance that what political party is in power at Toronto. Party politics should be shelved for the duration and our entire resources made use of for the achievement of an everlasting peace.

If the life of a political party is of more importance to Ontario than winning the war, then I am wrong.

* * *

Agnes McPhail

Former UFO member of the House of Commons and well-known speaker on economic and political subjects.

It is said that an election would be costly and would consume much effort of many people. That is quite true, but elections are the very warp and woof of our democratic fabric and it is indefensible to weaken that fabric at such a time as this. If democracy is worth dying for it is worth carrying on in actual practice at home. There is grave danger to democracy in all the talk one hears of elections being needless. The effort of the people to govern themselves is always of the utmost importance.

A. C. MacNaughton

Well-known lawyer and Liberal, Toronto.

Just as the basic difference between cheese and chalk is that you can eat one and cannot eat the other, so the difference between democracy and autocracy is that, in one case the people can throw out their leaders, in the other they cannot. The democratic principle of periodical elections is one which cannot be ignored with safety. It has not been ignored in the Dominion or municipal fields. It should not be ignored in the provincial field. If bombed Great Britain can hold by-elections, Ontario can hold a general election.

* * *

J. A. MacLaren

Editor, Examiner, Barrie, Ont.

I think not.

With acute labor shortage it would be a great mistake to interrupt production, particularly in agriculture where farmers are striving against great odds to meet demands for increased food supplies.

There is no really important issue before electors. I cannot see any sufficient reason why the Ontario Liberal government's extension of life cannot continue until victory is achieved. The other parties have no real issue on which to demand an election, other than desire for power. With these factors in mind, the time would not appear to be ripe for an appeal to the people. The voters will deal with political parties as they see fit when the war is over.

* * *

Elmore Philpott

Formerly active in Ontario political and newspaper circles, in recent years newspaper columnist, Vancouver.

Elections are most vital and necessary part of the whole democratic process. The chief difference between democracy and dictatorship is, one has elections and the other has not. On rare occasion the postponement of elections is justified because of physical war danger as in Britain, but such does not apply to Ontario.

There is every reason, I believe, that an Ontario election will stabilize the political situation in Canada. Hence it would be a good thing. Moreover the failure to hold an election provides increasing grievance to many patriotic citizens.

Everyone here agrees B. C. was wise to hold a wartime election. Also it is noteworthy that South Africa will do likewise even though the anti-war faction there is dangerously powerful. No democracy goes wrong in practicing democracy.

* * *

A. W. Roebuck

Member of the House of Commons for Toronto-Trinity and former Ontario attorney-general.

Someone is always trying to use war as an excuse for the abolition of democracy.

In wartime the nation must have quick and decisive action. This is obvious. Accordingly, some greater degree of centralization of authority is necessary over what is required in the more leisurely days of peace. Single individuals or committees of individuals must be placed in positions of command, but this does not mean that ultimate control must be taken from the electors. That is the fatal error of fascism.

There is a vast difference between immediate command and ultimate control. Freedom can tolerate a good many bosses, so long as the nation bosses the bosses. It is when the Hitlers boss the nation that disaster is inevitable.

In this country the nation exercises control by periodical elections. This is democracy. Abolish elections and you have abolished democracy. to make democracy work, elections must be genuine and frequent. This is fundamental to our way of life, and to talk about the trouble of going to the polls or the expense of taking a vote is wide of the point. By going to the polls the public is demonstrating that popular control actually works. No trouble should be too great.

Of course we should have provincial elections. If we who stay at home fail in the performance of our civic duties, we will have betrayed the democracy for which our men are fighting abroad. We will have let the army down.

* * *

W. Harry Rollins

Mayor of Belleville, Ont.

A wartime election in any province in wartime is absolutely absurd. Don't let us play mockery with our boys overseas. Our first and only duty at this time is every effort should be put forward to the winning of this war.

* * *

Col. J. E. L. Streight

Former Liberal member in House of Commons and prominent in military circles, Islington, Ont.

Provincially speaking I believe we should have our elections when due, war or no war. Provincial governments are not so involved in international affairs as to justify any longer lease of life. Even when a comparable situation exists it would not necessarily retard the war effort to hold such an election and I feel that it is the people's right to control local affairs.

* * *

H. A. Stewart

Mayor of Kingston.

The provinces have certain definite functions to perform through constituted authority of the legislatures in each province. These functions include the responsibility of enacting legislation governing the people of the province in the democratic way of "For the people and by the people."

The governing body receives its authority to legislate and administer for a definite term by reason of a majority vote of the people of the province. Any extension of that term without a mandate of the people is at best a temporary suspension of democratic procedure and should be denied except in circumstances rendering an election impossible. In my opinion elections can be held in Canada under existing circumstances without disruption of the war effort, and as evidence of this it is only necessary to refer to the by-elections held in Great Britain from time to time during the present conflict.

* * *

Dr. David Williams

Editor, Enterprise, Collingwood, Ont.

I fail to see any good reason for a general election in Ontario. By-elections to fill the vacancies in the legislature would be but fair to the several constituencies interested. With the prospect of even greater war activities than have yet been, in the near future few are desirous of being disturbed by a home conflict, which a general election would mean. Rather would the majority, it is believed, be left to devote their whole energies and their time to the promotion of war work.

I have consulted leaders here, political and otherwise and all say that no election is needed.

The Home Front

YMCA Overseas Makes Report

YMCA officials have received an extensive report from Capt. E. D. Otter, Senior Officer, Canadian YMCA Overseas, reporting on the year's operations of the Canadian YMCA War Services Overseas. Chairman of the Canadian YMCA Overseas Committee is W. N. McIlwraith of Toronto.

In his report Captain Otter states that in the past year the total number of 203,477 events were held with an aggregate attendance of 17,173,537. For the first three years of war the number of events totalled 276,414, with an aggregate attendance of 27,179,662. The variety of services rendered by the Canadian YMCA Overseas includes: entertainment programs, religious meetings, educational events, sports programs, tea car service and personal services.

In addition to the above, the YMCA Beaver Club in London showed the total number of program events as 1,340 with 316,686 persons participating. A total of 1,937,040 men used the club during 1942, and the number of services rendered totalled 2,795,675.

The personnel report shows that there were 75 supervisors and executives engaged in the work, assisted by 353 airmen, soldiers and civilian helpers, and 562 women volunteer workers. The number of centres operating totalled over 1,000.

In addition to the three Canadian YMCA clubs opened in London during 1941, three additional properties were leased and opened in 1942, bringing the bed accommodation to a total of 550. The number of YMCA bed usages by Canadians overseas was 221,686.

Included in the equipment provided were 29 moving picture sound projectors, 49,801 pieces of sports equipment, 36,610 song and hymn books, 14,779,200 sheets of notepaper and 43,500,000 cigarettes.

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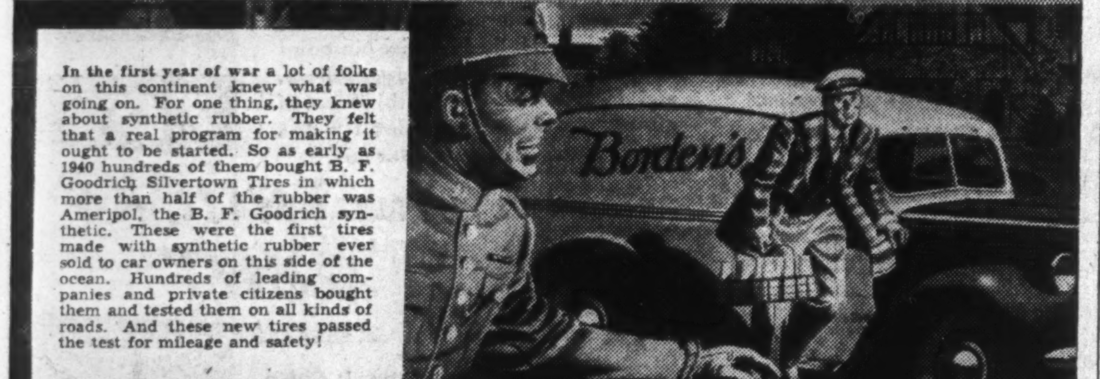
How dramatic test launched the first synthetic tire program on this continent



In the first year of war a lot of folks on this continent knew what was going on. For one thing, they knew about synthetic rubber. They felt that a real program for making it ought to be started. So as early as 1940 hundreds of them bought B. F. Goodrich Silvertown Tires in which more than half of the rubber was Ameripol, the B. F. Goodrich synthetic. These were the first tires made with synthetic rubber ever sold to car owners on this side of the ocean. Hundreds of leading companies and private citizens bought them and tested them on all kinds of roads. And these new tires passed the test for mileage and safety!

Today another test is going on. In service with our armed forces synthetic rubber is meeting tests that peacetime could never provide. Because of the "know how" gained before the war, B. F. Goodrich is producing synthetic rubber goods today that more than overtake the Axis' 20-year head start. Tires now built with less than one pound of natural rubber, tank treads, airplane De-Icers, bullet-sealing fuel tanks, and hose are just a few uses for America's new man-made rubber. But remember this, please: there still isn't enough. So the Army and Navy are saving rubber, just as you are!

After victory, your new car may have tires made wholly or partially of synthetic rubber. That's why you'll want to remember this: Over 2½ years ago, B. F. Goodrich was the only company offering tires made with synthetic rubber to the general public. Naturally we've more experience building tires with it than anyone else. Naturally, too, we've had more experience testing these tires under actual operating conditions. So we can promise you that our after-the-war tires will be tops in mileage and safety. The name B. F. Goodrich, which has always stood for "First in Rubber," has also taken on the important new meaning of "First in Synthetic Rubber".

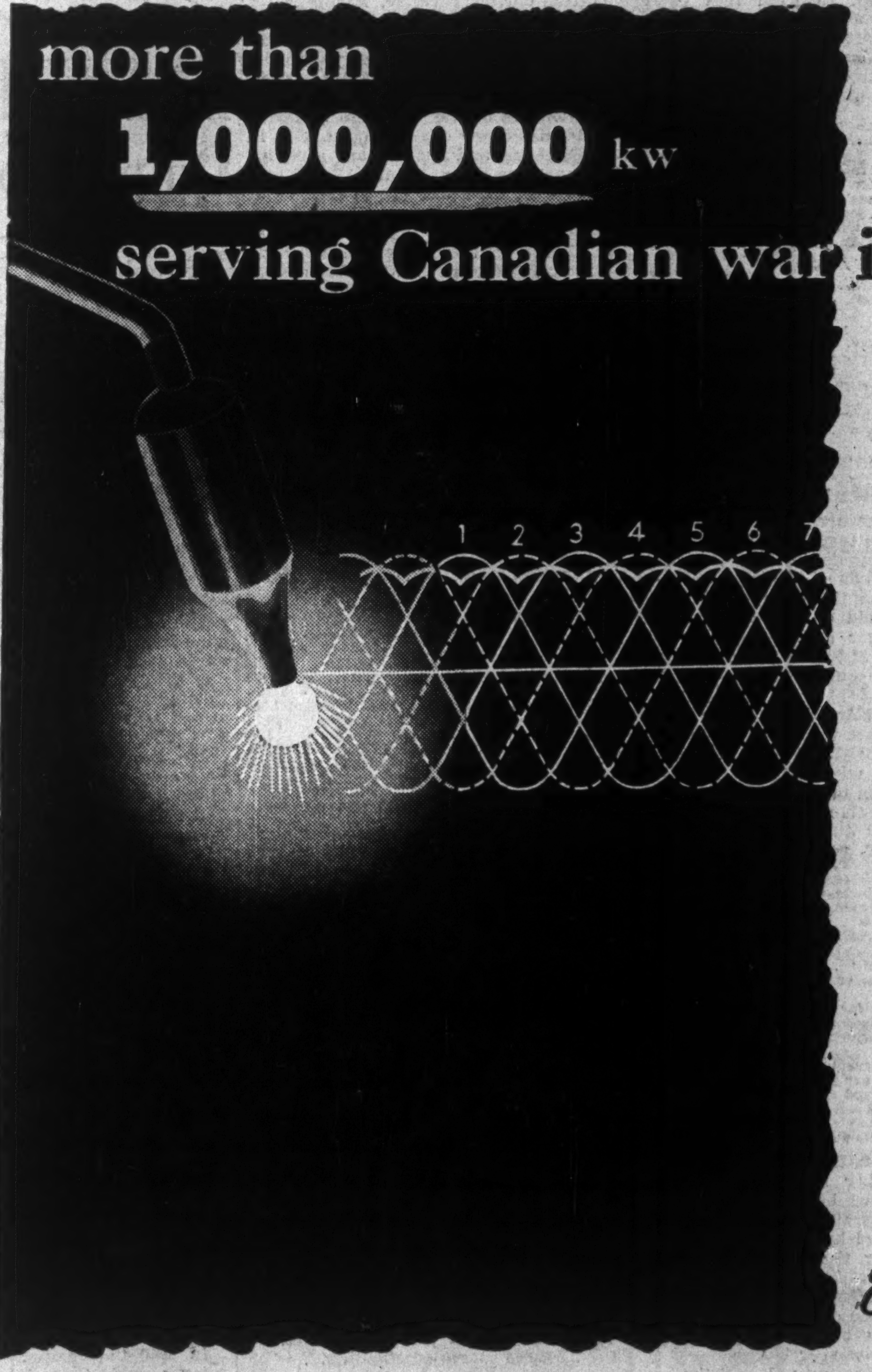
A few of the many companies that bought Ameripol tires in 1940 and 1941:

AETNA LIFE INSURANCE CO.
AMERICAN CAN CO.
THE BORDEN CO.
J. I. CASE CO.
GENERAL BAKING CO.
GENERAL OUTDOOR ADVERTISING CO.
GEO. A. HORMEL & CO.
INGERSOLL-RAND CO.
KELLOGG COMPANY
PACKARD MOTOR CAR CO.
PET MILK SALES CORP.
STANDARD BRANDS, INC.
SWIFT & COMPANY

In war or peace

B.F. Goodrich

FIRST IN RUBBER



ignitron power conversion proved in war industry

Early in the peaceful 1930's Westinghouse introduced the Ignitron Rectifier—the new power conversion unit with no moving parts. Today, more than 1,000,000 kw installed in Canada's war industries is serving to speed production. No other method of power conversion has ever enjoyed an expansion as rapid as this electronic equipment. And there are good reasons why.

The Ignitron delivers high efficiency over the entire load range—high short-time overloads, constant 24-hour loads, or light loads.

Its operating costs are low. Operation is simple and automatic. There's no high starting demand.

Maintenance, too, is at a minimum. There are no major moving parts that require periodic replacement.

Costs are further reduced through ease of installation. No special foundations are required. Lightweight construction and vibrationless operation permit installation on any concrete floor of reasonable strength.

If you need d-c power conversion, investigate these and other advantages of the Ignitron Rectifier. Address your enquiry to the nearest district office.

Electronics at Work

CANADIAN WESTINGHOUSE COMPANY LIMITED
Head Office • HAMILTON, ONTARIO

Westinghouse

Sales Engineering Offices: VANCOUVER, TRAIL, CALGARY, EDMONTON, REGINA, SASKATOON, WINNIPEG, FORT WILLIAM, TORONTO, SWASTIKA (Northern Ontario), LONDON, MONTREAL, OTTAWA, QUEBEC, HALIFAX

Service and Repair Shops: VANCOUVER, CALGARY, REGINA, WINNIPEG, TORONTO, SWASTIKA (Northern Ontario), MONTREAL

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Telling Americans Our Story

WIB at New York Seen Doing Big Job

(Continued from page 1)

easily demonstrated. Whether that increase is 1,000% or 5,000% cannot, however, be calculated because complete check ups are impossible.

Furthermore, results of public relations roll up like a snowball; germinate often in the places least expected and perhaps long after the sowing.

Particularly important, the amount of unfavorable or inaccurate information about Canada has been reduced.

WIB at New York has a staff which has "got around" extensively in publishing, news distribution and radio circles. It has so successfully won the respect and confidence of that group of executives who, to such a large degree, decide what the American millions shall be given to read, that usually when Canadians see or hear news and information about Canada appearing in United States publications, they can assume that WIB at New York was somewhere in the background.

WIB may have given an editor the idea for such a story. It may have facilitated getting the story. It may have done nothing but supply some of the facts.

When Jack Benny, Kate Smith or other big time radio shows broadcast from Canada, WIB is also in the background.

Nobody expects that WIB or any other Canadian agency can prevent the Chicago Tribune type of blast against this country. But what WIB at New York can and does do in such cases is use these blasts as an occasion for getting the correct facts presented, and it is having increasing success in preventing or in reducing the repetition of such canards.

Particularly important is the kind of material now being published in the United States and the readership it gets. Before the war the New York Times, Herald Tribune, Christian Science Monitor and a few other daily newspapers gave a spare but regular coverage to significant Canadian news. For in the other newspapers of the United States, about the only time Canada was brought to the attention of the American millions was when we produced an outstanding disaster, a murder story with a new twist to it, or a sizzling sex saga.

Now, Canada, her achievements both for war and peace, are being carried to the hundred million Americans outside the orbit of papers like the New York Times.

WIB in New York can show big articles and big layouts of pictures about Canada which have appeared in hundreds of United States newspapers, all putting Canada, her institutions, her soldiers, sailors, airmen, war workers in a favorable light.

How is it done?

"Ready Reference"

On the spot news, WIB's main function is to serve as a volunteer helper and guide, as a ready reference for editors and rewrite men of the press associations who will serve out a version of the story to all America.

"This aspect of the story might interest American readers"; "This announcement will mean that . . ."; "There's a big story behind this."

Those are phrases you will hear WIB men at New York using as they chat with the news executives whose decisions about the news values of a story about Canada, whose treatment of it, and whose attitude toward Canada and Canadians will very largely determine whether, that day, 100 million Americans will have Canada brought favorably to their attention.

In the early months of its existence WIB's New York job was to make itself known to the scores of news executives, big and little, whose pencils do so much to determine America's attitudes.

That job has been accomplished. Instead of WIB going to the press associations, the press associations now come to WIB asking for information, discussing emphasis, developing further articles.

Service Appreciated

Never before did the United States news industry have any place to which it could refer, day or night, for the kind of information and help and guidance about Canadian news which WIB at New York now gives. How valuable that service is, and how much appreciated, is now attested by the stream of queries which constantly comes to WIB's New York office. If the staff there doesn't know all the answers, it at least knows where, in a few moments, to get the answer.

Very spectacular is the amount of feature material about Canada which gets large space newspapers all over America — full pages of photographs about Canada's war effort, big picture layouts with colorful articles telling some job Canada or Canadians are doing.

Nearly all of this results from a WIB man having sometime mentioned to a friend with a news agency that there were some good stories to be written about Canada that would interest American readers.

Suggests Articles

WIB does not pay a dime toward the expenses of news or feature writers, photographers or radio men who come to do stories in Canada.

The most it does is suggest articles, line up people in Canada who will be helpful or hospitable, clear away some red tape, arrange passes for military areas and arms factories—simply facilitate, expedite.

WIB does not give any story handouts—no press releases, no nation-wide scattering of photographs.

The nearest it comes to handouts are the mats of photographs and underlines about Canada which it distributes to hundreds of small town and country newspapers throughout the United States which have asked WIB for this free service, and which are dropped from the mailing list when they cease using this material.

In this way WIB is getting Canada's story told in hundreds of small United States communities and to tens of millions of Americans who previously may never have read a single news item about Canada from one year's end to another.

Getting at Grass Roots

But WIB at New York carries this grass-roots campaign much further. Because of their enormous readership by adults and children, comic strips and comic magazines are among the most powerful of mass communication media in the United States.

WIB has won the most devoted and enthusiastic co-operation of some of the largest comic publishers. Some five million Americans, young and old, are daily exposed to comics in which Canadian service men are the heroes—this the result of co-operation from one syndicate alone.

Another vast enterprise which publishes a group of comic magazines with a total circulation of around six millions a month carries a Canadian story in each issue—a story telling in words and a score of pictures the life history of General McNaughton, the triumphs of Buzz Beurling, picture-stories of Canadian soldiers, sailors and airmen whose war record includes a striking and interesting tale of romance, adventure and heroism.

This brings Canadians and Canada's war effort to the attention of millions much influenced by such media. Above all, it helps get Canada and Canadians a favorable place in the minds of youngsters when youngsters are busiest acquiring attitudes. For someday, these youngsters will be the vocal and voting American people.

To report the full scope of WIB's activities out of New York would take an article several times as long as this. Its task is to use every event, coincidence and development as a means of getting Canada's story told better and better to more and more Americans.

That this office has accomplished so much with so little in its short active existence is a tribute to Canada and to the skill and enterprise of this group of her servants.

Fix B. C. Salmon Prices At Last Year's Level

Part of 1943 Pack Expected to be Released for Consumption in Canada — Canners Say Production Costs Are Increasing

From Our Own Correspondent

VANCOUVER. — British Columbia's $25 million fish packing industry knows what will be paid for the 1943 salmon pack, but there are still a good many uncertainties regarding costs of production. Until they are determined it will be difficult for companies such as B. C. Packers, Ltd., to figure out their probable earnings.

Maximum prices for the salmon pack have been established by Wartime Prices and Trade Board at the same levels as prevailed last year.

One new feature of the 1943 salmon deal is that at least a portion of the pack will be released for domestic consumption. Last year the entire B. C. pack was taken over for the British and overseas markets. It seems likely that about 200,000 cases of salmon will be disposed of in Canada from the coming season's operations.

Some Criticism

Arbitrary fixing of prices, according to some packers, will interfere with the annual negotiations between the operators and the fishermen, usually a long-drawn-out and often a contentious business. These negotiations will now have to await more detailed information concerning the order which established the price setup.

"The only way to revise the order now would be to obtain a supplementary order, and that isn't easy," commented one packer. "Personally, I think it would have been better had the government announced its intention and given packers and fishermen alike an opportunity to offer suggestions."

One thing that the packers know very well is that costs have greatly increased since last year. Wages, taxes, food, gear, supplies have all advanced. The fishermen and cannery workers will resist any move to reduce their earnings owing to the cost of living and other factors, so that the packers will be obliged to meet the difference out of their own narrowing margin.

Industrial Insurance Must Meet Challenge

Nationwide Educational Campaign Necessary to Make Use of Postwar Opportunities and Answer Opponents, Says K. R. Wilson

The most important life insurance public relations job in Canada today is a countrywide educational program by the companies doing industrial business, Kenneth R. Wilson told the annual meeting of the Life Insurance Advertisers Section of the Canadian Life Insurance Officers Association in Toronto this week.

Mr. Wilson is Ottawa correspondent of The Financial Post and Maclean's Magazine.

Ignorance of Facts

Mr. Wilson said he believes that Dr. Leonard Marsh must have been ignorant of the special virtues of industrial insurance in Canada when, in making his report to the government recently, he quoted the Beveridge condemnation of industrial insurance in England and added that "similar conditions undoubtedly apply to Canada." He questioned if Dr. Marsh, when he made this statement, knew that the size of the average policy in Canada is four or five times that of the policy of Britain, about $260 compared with $72.

Just now, said Mr. Wilson, those who plan the new world of social security and socialistic change are highly articulate. To read only their side of the story is usually to lose perspective of the inherent importance of free enterprise in creating not only more jobs but more durable ones. To meet this challenge those who believe in free enterprise must be more articulate.

One way of being more articulate, Mr. Wilson stated, was the more effective use of opinion-creating advertising. Such advertising has a direct community of interest with magazine and newspaper articles dealing with Canada's postwar period.

Storage Supplies of Fruit, Vegetables Are Low

Stocks of fruit and vegetables in Canada were in a few cases considerably higher at May 1, 1943, than in the previous year, according to figures released by the Dominion Bureau of Statistics.

Despite the current shortage in some areas, 60,479 tons of potatoes were on hand at the beginning of the month, as compared with 44,568 previously. There were an added six tons of imported potatoes. Some 34,200 tons moved out of storage in April, however, compared with 15,600 tons last year. There were 94,703 tons on hand at April 1. Later planting season this year probably means higher storage stocks of potatoes than might otherwise be the case.

Apples in stock totalled 323,817 bushels, compared with 96,759 bushels at May 1, 1942 and 761,013 at the end of March. In April 437,000 bushels moved out of stock, while imported stocks on hand at May 1 were 13,725 bushels.

No Canadian pears were reported. On hand were 4,595 bushels imported.

Onion stocks totalled 4,806 tons, compared with 881 tons in 1942 and 6,151 tons on April 1, this year. There were 97 crates of Canadian celery and 5,187 crates of i orted. Other vegetable stocks included: 193 tons of beets; 15 tons of cabbage; 1,863 tons of carrots; 174 tons of parsnips. Comparative figures are not available, but supplies are understood to be sizeable according to present demands. There were also imported holdings of four tons of beets, 27 tons of cabbages, 305 tons of carrots.

Frozen vegetables (retail and wholesale) totalled 414,652 pounds. There were 40,773 pounds of string beans and 162,161 pounds of other vegetables. Total frozen stocks on the same date last year were 1,065,192 pounds. There was a decline in holdings over the month of 324,700 pounds.

Mercury Mills Ltd. announces appointment of Hugh Mockler as general sales manager. Mr. Mockler has been with the company since 1931 and has recently been serving as merchandise manager and sales manager of the hosiery division.

Mexican Light & Power Co. reports an increase of $66,442 in gross operating earnings in Feb., 1943, and one of $2,611 in net earnings. For the first two months of this year, gross earnings of $2 millions are up $104,831 but net earnings of $681,229 are down $33,597.

Pickle Crow Gold Mines has decided to consider dividend on a half-yearly basis instead of the thrice-yearly basis followed previously. Until labor conditions improve, it is felt that half-yearly consideration of dividends will be in the best interests of shareholders. A dividend of five cents a share has been declared payable June 30, 1943, to shareholders of record May 31.

Company Reports

Canadian Breweries

Canadian Breweries Ltd. reports net profits for the quarter ended April 30, 1943, equivalent to 77 cents a share on its preferred shares compared with 64 cents a share in the corresponding quarter of 1942. The latest earnings include refundable portion of excess profit tax.

For the six months ended April 30 this year, first half of the company's year, net profit is $287,720 compared with $210,421 for the corresponding period a year ago. The latest half year's profits are equivalent to $1.68 a share on the preferred against $1.28 last year.

Balance sheet reflects the offer made to shareholders of Canada Bud Breweries for exchange of stock. Number of common shares of Canadian Breweries outstanding has increased 675,195 at Oct. 31 last to 712,323 shares at April 30, 1943. Preferred shares outstanding have increased in the same period from 163,200 to 170,611, with the exchange still taking place.

Income Account, 6 Mos. Ended April 30	1943	1942
Operating profit	$524,313	$407,303
Add: Other income	6,026	13,371
Total earnings	530,339	420,674
Less: Depreciation	135,411	134,403
Interest	21,887	26,801
Inc. and E. P. taxes	*235,000	153,000
Net income	138,040	106,470
Less: Minority int.	6,903	2,056
Net profit	131,137	104,414
*Does not include refundable E.P.T.; amount unstated.		
Working capital	$2,004,018	$1,649,214
Balance Sheet Changes		
Cash	$208,357	$ 66,028
Investments	846,659	1,206,307
Accounts receivable	246,402	455,467
Inventories	3,457,322	2,985,061
Bank loans	635,900	1,397,375
Funded debt	1,300,000	1,475,000
Minority interest	271,838	777,105

Ontario Silknit

Consolidated operating profit of Ontario Silknit Ltd. in 1942 was substantially higher than in 1941 but final net profit is approximately the same. Canadian companies showed a large gain in operating profit which was largely absorbed by taxes. Profits of English and Australian subsidiaries was moderately lower than in 1941. English and Australian subsidiaries represent about 35% of total net assets.

The company paid $3 a share on its preferred shares in 1942, leaving arrears at $29 a share at Dec. 31.

Consol. Income and Surplus Account Years Ended Dec. 31	1942	1941
Operating profit	$618,704	$521,319
Add: Other income	6,038	6,880
Total earnings	624,742	528,199
Less: Exec. remun.	67,067	70,947
Directors' fees	5,986	5,841
Legal fees	3,277	2,339
Depreciation	143,595	135,475
Int. & sink. fund	18,666	17,065
Income & E.P. taxes	*264,565	158,335
Other deductions	639	17,494
Net profit†	120,947	120,703
Less: Divs. Ont. Silknit	30,000	30,000
Australian Silknit	22,333	......
Surplus for year	68,614	90,703
Add: Previous surp.	179,471	137,349
Less: Adjustments	10,428	48,581
Earned surplus forwd.	237,657	179,471
*Includes $17,500 refundable E.P.T.		
Earned per share:		
Preferred	$11.45	$11.95
Paid	3.00	3.00
Working capital	$1,123,677	$1,003,840
†Net profit is segregated.		
Canadian companies	$78,247	$37,981
Silknit Ltd. (England)	14,531	32,019
Australia Silknit	28,169	43,620

Walkerville Brewery

Walkerville Brewery Ltd. reports higher gross and net profits for 1942 and a strengthened working capital position. Net is equivalent to seven cents a share compared with four cents, with five cents being paid in dividends for each year. H. Radner, president, reported that extensive improvements were made in the plant last year, including a new storage building for case goods with a capacity for 20,000 cases.

Income, Surplus—Years Ended Dec. 31	1942	1941
Oper. profit	$603,487	$511,885
Add: Other income	8,708	4,013
Total earnings	612,195	515,898
Less: Exec. remun.	11,600	10,933
Directors' fees	400	400
Legal fees	7,516	5,215
Depreciation	32,370	33,738
Inc. & E. P. taxes	17,503	11,425
Non-inc. taxes	516,694	440,223
Net profit	26,113	13,964
Less: Com. divds.	18,750	18,750
Surp. for year	7,363	*4,786
Add: Prev. surp.	19,307	33,093
Less: Conting. tax prov.	8,000	9,000
Earned surp. fwd.	18,670	19,307
*Deficit.		
Earned per share:		
Common	$0.07	$0.04
Paid	0.05	0.05
Working capital	$410,544	$374,244

Debenture & Securities

Debenture & Securities Corp. of Canada reports higher income from investments in 1942 than in 1941. Dividends of $5 a share were again paid on the preferred but nothing was paid on the common. During the year debenture debt was reduced $1,500 to $83,100. Preference shares outstanding were reduced from 2,643 to 2,543. Call loan remains practically unchanged at $25,931.

Market value of investments held was $611,222 at Dec. 31 last, compared with $575,120 for 1941. In addition the trust held $83,258 in investments not having representative market quotations.

Consol. Income and Surplus Account Years Ended Dec. 31	1942	1941
Invest. income	$41,177	$40,379
Less: Expenses	11,333	12,028
Interest	4,835	4,899
Inc. and E. P. taxes	1,658	2,564
Net profit	23,351	20,888
Less: Preferred divids.	12,965	13,215
Surplus for year	10,386	7,673
Add: Previous surplus	75,147	66,003
Tax adjustment	1,243	1,471
Earned surplus forwd.	86,776	75,147
Earned per share:		
Preferred	$9.18	$7.90
Paid	5.00	5.00
Common	$2.62	$1.94
Net assets per pref. sh.	$225.55	$206.21

Investment Foundation

Further improvement in market value of investment portfolio and a moderate decline in earnings is reported by Investment Foundation Co. for the year ended March 31 last. Net income was off about $7,000 during the year and profits available on the common amounted to 35 cents a share, as against 43 cents the year before.

Liquidating value of the common stock increased last year from $1.13 to $6.36 a share. A small block of the preferred stock was redeemed during the year.

Income & Surplus—Year Ended March 31	1943	1942
Gross income	$127,556	$133,881
Less: Expenses	18,181	17,015
Net income	109,375	116,865
Less: Pfd. dividends	84,841	86,340
Surplus	24,534	30,525
Previous surplus	58,461	27,936
Surplus forward	82,995	58,461
Earned per share	$0.35	$0.43
Balance Sheet Changes		
Cash & call loans	$39,366	$30,838
Investments*	2,556,534	2,582,523
Preferred stock	1,385,700	1,428,050
*Market value	$1,802,961	$1,489,808

Pioneer Gold

With its labor force reduced to 40% of normal, Pioneer Gold Mines has experienced a decline in production and profits and dividends have been deferred until they may be met from current revenue. Earnings the year ended March 31, 1943, were equal to 13 cents a share less than half those the preceding year.

Labor shortage has prevented exploration for further ore in extremities of the "27" vein at lower levels. Some ore was opened in it, however, and chances are good for more ore there. Of the 213,842 tons of 0.433 oz. grade ore in reserve at March 31, 1943, 40% will not be available until near the end of the operation so the remaining 60% will have to carry the mine until labor supply is again adequate, it is stated. A total of 67,754 tons of ore were milled last year.

Investigation of war mineral properties is continuing.

Income & Surplus—Years Ended March 31	1943	1942
Bullion production	$998,994	$1,998,856
Less: Oper. exps.	474,419	749,770
Admin. expense	82,613	92,816
Operat. earnings	441,962	1,156,270
Add: Other income	65,524	66,076
Total earnings	507,486	1,222,346
Less: Depreciation	108,595	128,613
Depletion	27,009	51,318
Exploration	45,891	170,782
Income taxes	101,969	289,373
Net profit	224,022	582,260
Less: Dividends	227,727	700,700
Deficit for year	3,705	118,440
Prev. surplus	437,209	541,879
Add: Tax adjustment	......	13,770
Surplus forward	433,504	437,209
Earned per share	$0.13	$0.33
Paid	0.13	0.40
No. of shs. outstanding	1,751,750	1,751,750
Working capital	$1,723,713	$1,580,696

Moneta Porcupine

Ore remaining only sufficient to keep the mill running until the end of May is reported by Moneta Porcupine Mines in its annual report for the year ended March 31, 1943. Earnings for this period were $243,009, equal to 10 cents a share compared with $459,553 or 18 cents a share the preceding year. Investment income showed little change at $42,842.

A vigorous exploration policy is being followed by the company as production draws to a close. Leta Explorations has been formed in conjunction with Leitch Gold Mines and $25,000 a year will be spent for three years on exploration in the Northwest Territories. Tin claims were staked by Moneta in the Bird River area this year and some gold claims have also been staked. Success of the company's Dominion Magnesium participation is noted.

Working capital was $1,631,932 at March 31, 1943, compared with $1,482,103 a year previous. There are 2,543,860 shares outstanding.

Falconbridge Nickel

Shutdowns to tie in new equipment severely affected production of Falconbridge Nickel Mines in February and March, with the result that profit for the first quarter of 1943 was only $47,287 compared with $56,304 the same quarter of 1942. Production has since turned higher with new units in operation in April.

Charges for depreciation and deferred development show an increase from $239,044 to $315,150 before arriving at net profit in the first quarter. Capital expenditures in the quarter were $257,874 against $224,061 the 1942 quarter.

Working capital amounted to $7,016,871 at March 31, 1943, compared with $6,390,098 a year previous; $1,339,759 of Norwegian items are included in each year.

Dom. Woollens Output Down

Larger Proportion of Supplies For Civilians Possible

Dollar value of unfilled orders on the books of Dominion Woollens & Worsteds today is approximately two thirds for the armed services and one third for civilian requirements, H. Barrett, president and managing director, told shareholders at the recent annual meeting, adding that this ratio of production is assured until the end of 1943. Present outlook is for a decreasing volume of war orders and a larger proportion of production for civilian needs.

At present the company's plants are understaffed and production is declining. Indications point to a decline from the record level established in 1942 when volume was over one third greater than in 1941, reflecting sustained demand from the armed services.

Tax Status Not Clear

Mr. Barrett referred to the fact that only half the regular rate of preferred dividend is being paid. He told shareholders that an increased rate would have to await clarification of the company's tax position. For every dollar of net profit which the company retained, it paid nearly $6 in income and excess profit taxes. He mentioned that standard profit has not yet been established by the Board of Referees and that he feels tax provision has been made on a conservative basis and that a more favorable picture may be presented when the board's ruling is obtained. No amount has been set up for refundable EPT until the standard is definitely known.

The company's balance sheet at Dec. 31, 1942, showed a liability to the Dominion for refunds under price ceiling contracts which has since been liquidated. The company has also sold its $100,000 of Dominion bonds.

High inventories have to be maintained due to war conditions but there has been no shortage of wool for either war or civilian purposes to date.

In 1940 the company provided a reserve against possible future decline in inventory values as allowed under EPT. This reserve can only be utilized to meet price declines until the end of the year following repeal of this act which further provides that any reserve not so utilized is to be added to the company's profits of the last year the act applies and taxed at the rate then applicable. For this reason the company considered it desirable that a tax paid reserve against possible decline in inventory reserves should be established. An appropriation of $200,000 has been made from earned surplus for this purpose and Mr. Barrett is convinced this should be strengthened.

At the annual meeting directors were re-elected with the exception of Major W. G. Hanson, on active service overseas. His place was taken by G. D. Perry, a former director.

REED-PRENTICE OF B.C. LTD.

Industrial Engineering Ltd.

ANNOUNCEMENT

REED-PRENTICE OF B.C. LTD. and its business in manufacturing, selling and servicing gasoline, electric and air-driven power chain saws throughout Canada and the United States has been acquired by

INDUSTRIAL ENGINEERING LTD.

A British Columbia Corporation

There is no change either in management or staff. The following officers and directors will head the new company.

George W. Sweny, *President*
George W. Thompson, *Vice President*
A. V. Stedham, *Secretary-Treasurer*
D. J. Smith, Director and General Manager
Ray A. Pitre, *Director*
J. Lyman Trumbull, *Director*

The many users of power chain saws are assured of ever improving service and engineering development.

New Eastern Office

For greater convenience and faster service to Eastern power chain saw users a sales and factory service branch has been opened, under the management of Ralph M. Weekes, Confederation Building, at 739 Cathcart Street, Montreal.

INDUSTRIAL ENGINEERING LTD.
1381 Franklin Street
VANCOUVER
Canada

Make Drinks More Enjoyable with

• Canada Dry's Sparkling Water steps up the flavour of any drink—keeps it lively to the last sip. The secret is the exclusive pin-point carbonation, special added ingredients, and the absolute purity of this finest of all mixers. Alkaline in reaction, it makes drinks better—and better for you!

IT'S ALKALINE
IT'S VITALIZED
IT LIVENS FLAVOUR

3 SIZES
7 oz. Handy individual size; in 6-bottle cartons.
12 oz. Favourite Club size.
30 oz. Economical Family size; makes 8 to 10 long drinks.

SW73

THE WORLD'S LARGEST SELLING CLUB SODA

For Protection

WITH CLEAR VISION

Armourplate Glass never splinters. It will stand shock almost unbelievably. That is why Armourplate Glass is a "must" in any situation where human beings need strong protection *with clear vision.* Ask any Pilkington branch for further details . . .

The following products are stronger than ordinary glass and are recommended by Pilkington Brothers (Canada) Limited for specific uses — Duplate Glass, Duolite glass and Wired Glass.

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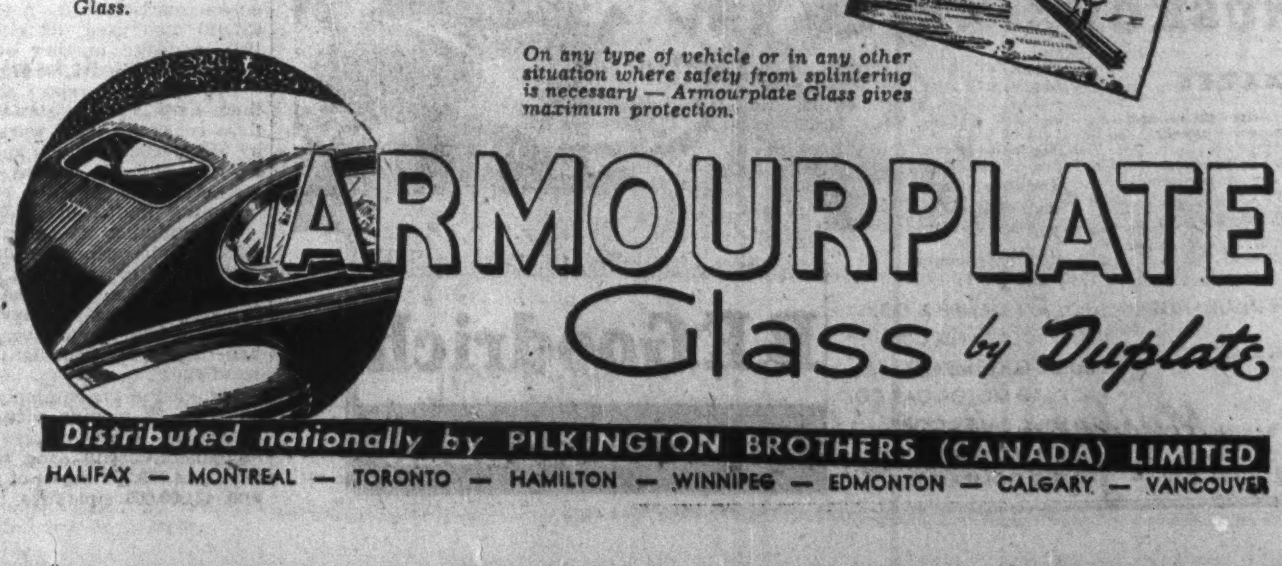

ARMOURPLATE Glass *by Duplate*

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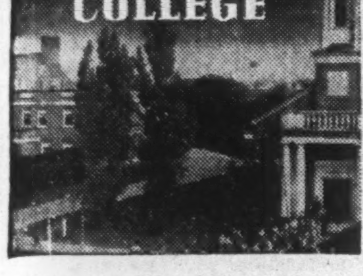

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● Modern buildings—chapel—219 acres of unsurpassed grounds—gymnasium—swimming-pool—dramatics—music—cadet corps. Sound preparation for University, including Honour Matriculation. Small classes; individual, sympathetic instruction. Carefully supervised athletics and recreation. Excellent tuition for boys eight years and over. For prospectus and book of views please write to the headmaster: J. C. Garrett, M.A.

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ST. ANDREW'S COLLEGE, AURORA, ONTARIO

Newspaper Advertising In U.S. High in April

Newspaper advertising linage in 52 key American cities last April recorded an increase of 17% over April, 1942, and was the best showing for the month since 1931 with the exception of 1937. This gain brought the increase for the year to date to 9.5% over the like period of 1942, and was due to heavy retail and department store advertising for Easter, as well as to a large volume of war bond advertising in behalf of the Second War Loan.

The Shareholder

High yielding stocks give better results for the investor than do low yielding ones, according to an interesting but unorthodox investment theory published by The Investors' Chronicle, London. Based on an investigation going back to 1874, and operated on a theoretical basis since 1939, the results establish "beyond reasonable doubt" that better returns are secured from high yield stocks both from the income and capital gain standpoints. The theory is based on the assumption that investors fall into the very human error of overestimating the prospects for good shares and overestimating the risks attached to more speculative ones.

Rules for operating in the stock market under this system are:

Sum to be invested is spread over 20 to 30 listed equities giving highest possible yields and having a market capitalization of over £1 million. Middle price of each share when purchased must not be lower than it was 12 months previously and yield must be above the mean of the whole list under review.

Portfolio so built must be examined regularly — every two months —and any stock sold if its yield is then below the mean of the list and the price is also below that of 12 months earlier. Funds thus released are reinvested in stocks meeting the original requirements.

• • •

On a test basis under which £1,000 was invested in each of 30 of the highest yielding stocks available on the London Stock Exchange, March 23, 1939, and comparing the performance of the portfolio thus chosen with that of the London Financial News industrial share index of 30 stocks, the high yield portfolio has averaged 40% more income and is currently about 5% ahead in value. Income from the high yield portfolio, moreover, has been stable.

Such a system of investing only attempts to select the particular stocks to buy or sell; it does not pretend to determine the proper timing. It is argued, however, that, although it will not guarantee against paper losses in the future, it should ensure that these losses are smaller than those which might be sustained over the same period by purchase of more fashionable stocks.

• • •

Brewing companies have overcome the handicaps of restricted domestic sales, higher taxes and operating expenses to a surprising degree if quarterly results of Canadian Breweries just announced can be taken as a fair measure. This company is able to report higher gross and net profits for the three months ended April 30, 1943, a period when sales restrictions have been effective. The latest profits, however, include the estimated refundable excess profits tax which is shown on the April 30, 1943, balance sheet at $170,000, of which $40,000 has been added since Jan. 31. If this refundable tax were deducted from current earnings, net would be about $13,000 down. It still appears, however, that measures taken to reduce costs have been very effective in offsetting other unfavorable conditions.

VICTORY BONDS
should be the backbone of every loyal Canadian's investment portfolio.
Save and Increase Your Holdings
Burns Bros. & Denton
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Government, Municipal and Corporation Bonds
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Enjoy Yourself at
MUSKOKA BEACH INN

RATES
Main Lodge $21.50 and up per person weekly.
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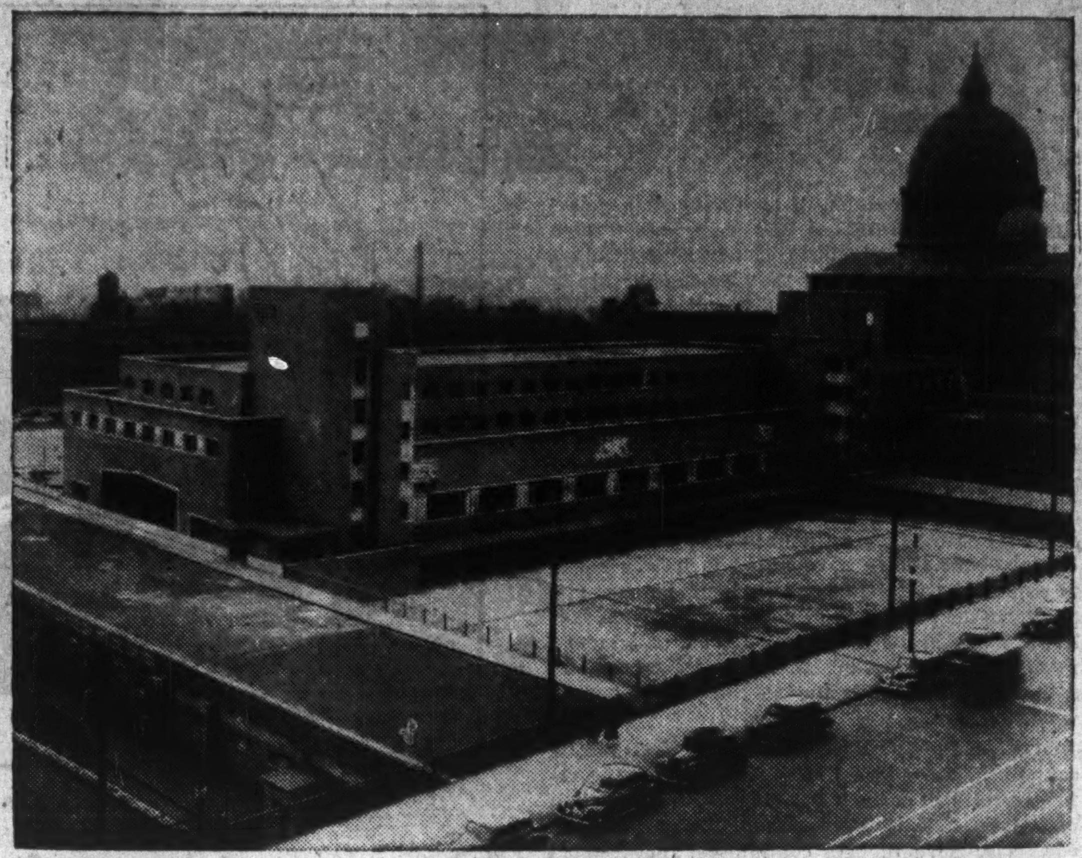
Muskoka Beach Inn on the shores of Lake Muskoka provides accommodation to suit every taste and pocketbook. Here is every facility for recreation and relaxation.
Muskoka Beach Inn is situated only 3 miles from Gravenhurst . . . 100 miles north of Toronto via No. 11 Highway.
Rail Service. C.N.R. to Gravenhurst.
Bus Service. Gray Coach Line to Gravenhurst.
Taxi three miles to Muskoka Beach Inn.

Write for illustrated folder or apply to your nearest travel agency.

WRITE Phone Gravenhurst 29 WIRE

Muskoka Beach Inn
MUSKOKA BEACH, ONT.



MONTREAL'S "HOLE IN THE GROUND" FILLED IN

Conceived in 1928, started in 1929, work suspended for seven years and resumed in 1939 on a modified scale as an unemployment measure, the Canadian National Railway's new terminal station in Montreal will shortly be opened to public use. The new terminal carries on the name of "Bonaventure" which had been given to old Grand Trunk Railway station in Montreal 60 or 70 years ago and has since become known to the travelling public all over the world. In addition to the terminal itself, the work involved the elimination of numerous grade crossings, extension of yards, development of coach yard accommodation and the co-ordination of railway networks within the Montreal metropolitan area to provide for faster handling of freight and passenger services. Up to the present stage of development, capital outlay on the terminal has run to $27 millions.

VICE-PRESIDENT

John J. F. Bancroft, vice-president and managing director of Jenkins Bros. Ltd., Montreal, who has been elected first vice-president of the Canadian Cost and Management Institute.

Montreal Curb Market Officers Are Re-elected

Officers and members of the board of management of the Montreal Curb Market for 1943-44 were re-elected by acclamation. Grant Johnston is chairman; Louis Robert vice-chairman and Hugh R. McCuaig, secretary-treasurer.

The board of management consists of H. C. Coughtry, of Macleod, Ridell & Co., F. H. Fairbanks, of Fairbanks, Kirby & Co., H. S. Garland; Paul E. Ostiguy; H. H. Rath, of Thomson & Co. and F. J. Vincent, of L. J. Forget & Co.

Weston Buys Gatineau's Stock Interest in E. B. Eddy Co.

From Our Own Correspondent

MONTREAL. — Garfield Weston, of biscuit fame, has become complete owner of the E. B. Eddy Co., of Hull, one of the largest of the diversified pulp and paper plants in Canada. The Financial Post is officially informed that he has bought the 49% interest held by Gatineau Power Co. This is in addition to the majority control which he purchased a short time ago from Viscount Bennett.

No information is available as to the amount which Mr. Weston paid or the stock held by Gatineau Power Co., but it is reported to be in the neighborhood of $5 millions. This would put a total value on the property of around $10 millions which would not be out of the way considering the established position of the Eddy Co. and the extent of its timberlands and productive facilities.

Purchase of the minority interest is said to be part of Mr. Weston's broader plan to effect a number of changes which he has in mind for the Eddy company.

Commodity Exchange Old Board Returned

From Our Own Correspondent

MONTREAL.—K. H. Olive, of Olive & Dorion Ltd., has been re-elected president of the Canadian Commodity Exchange Inc. for the sixth successive term. John Freeman, of Lovell & Christmas (Canada) Ltd., was re-elected vice-president and A. D. Descary was newly elected treasurer.

In addition, the following were elected as governors of the exchange: A. S. Beaubien, of L. G. Beaubien & Co.; A. F. McGillis, of Alex D. McGillis & Co. Ltd.; Grant Johnston, of Grant Johnston & Co.; G. C. Liersch, of C. J. Hodgson & Co.; O. Grignon, of Canada Packers Ltd.; W. D. Benson, of R. Moat & Co.; L. S. Colwell, of A. M. Kidder & Co.; J. E. Lussier, of Co-operative Federée of Quebec; I. Monette, of Perfection Dairy Ltd.; A. H. Olive, of Olive & Dorion Ltd.; H. T. Chisholm and E. H. Hodgson, of Hodgson, Rowson & Co. Ltd.

Study Ways to Increase Output Of British Columbia Coal Mines

From Our Own Correspondent

VANCOUVER. — British Columbia's oldest industry is falling down on the job.

Back in the Hudson's Bay Company era coal was being mined on Vancouver Island. In the near-century that has passed since, the output of those rich deposits has been marketed up and down the Pacific coast from Alaska to Mexico.

During the past quarter century Vancouver Island mines found themselves fully engaged in meeting the requirements of the home market and of bunkering ships. Since the war began the mines have been hard pressed even in filling the needs of the British Columbia coast cities. Several mines have been exhausted and closed, and the situation has been aggravated by the increasing consumption of coal due to larger population and restrictions on the use of oil fuel.

H. R. Plommer, general manager of the Canadian Collieries (Dunsmuir) Ltd., says that his company is anxious to extend the life of the once prosperous Nanaimo coalfields and a study is now being undertaken by Dr. A. F. Buckham, of the geological survey, with a view to determining to what extent, if any, production of coal may be increased on Vancouver Island in the immediate future.

Apart altogether from the pressing problem of getting fuel for the large consuming centres such as Vancouver, Victoria and New Westminster, there is the question of potential coal supply for a steel industry — a project still being pushed by British Columbia industrial interests. If coal has to be brought down from the Crows Nest field steel costs will have to be revised.

Vancouver Island has so far mined coal to the total value of some $300 millions, and some of the more important workings of the past are "through." But it is hoped that the survey now being made will find means of developing new deposits as well as of salvaging a certain amount of coal from mines no longer being worked.

POWER SAW HEAD

D. J. Smith, general manager of Industrial Engineering, Ltd., Vancouver, recent Pacific Coast development for production of power logging saws. The new company plans to continue the business of Reed-Prentice of B. C. Ltd., and has opened offices in Montreal with a view to expansion into the Eastern Canadian field.

McGillis Re-elected Head Commodity Assoc.

A. F. McGillis, of Alex. D. McGillis & Co., was elected president of the Canadian Commodity Clearance Association Inc., at the annual meeting held in Montreal. K. H. Olive, of Olive & Dorion Ltd., was elected vice-president, J. M. Schmauder was re-elected secretary-treasurer and William Boyd, assistant treasurer.

The following were elected as directors of the Clearing Association: A. F. McGillis, of Alex. D. McGillis & Co.; K. H. Olive, of Olive & Dorion Ltd.; G. W. McLean, of Lovell & Christmas (Canada) Ltd.; M. C. Oswald, of Oswald & Drinkwater, and J. E. Cregan, of A. A. Ayer Co. Ltd.

MacKinnon Steel Plan Finalized

Securities Exchanged for Those of MacKinnon Structural Steel

From Our Own Correspondent

MONTREAL.—Undertaking, property and assets of MacKinnon Steel Corp. have been transferred to MacKinnon Structural Steel Co. and an exchange of securities effected between the two companies, as well as a cash distribution to holders of the preferred stock of MacKinnon Steel Corp.

The plan of arrangement was passed last January. Supplementary letters patent were issued during April, while the scheme became effective on May 3. Copies of the plan have not been issued publicly, particulars of the arrangement being issued by the Montreal Stock Exchange as a result of delisting the old stocks following transfer of securities.

Details of Plan

Under the plan MacKinnon Structural Steel Co. has an authorized capital of 5,000 shares of 5% cumulative sinking fund preferred stock, of the par value of $100 each, and 25,000 shares of no par value common.

Holders of MacKinnon Steel preferred, of which 4,750 shares were outstanding, received $15 in cash for each share, 3 new preference shares of the Structural Steel for each 4 shares held and 8 common shares of the new company for each 4 shares of preferred held.

This involves distribution of $71,250 in cash; 3,562 shares of 5% preferred and 9,496 shares of new common.

Holders of MacKinnon Steel common received 1 new share of common for each 2 shares held, or a total of 6,000 new shares.

DOMINION OF CANADA BONDS

BELL, GOUINLOCK & CO.
LIMITED
MONTREAL TORONTO WINNIPEG

Maritime Trust Co. Elects Two Directors

Duncan J. Bonnell and Charles N. Wilson have been elected to the board of directors of Maritime Trust Co. Mr. Bonnell, of Charlottetown, P.E.I., is a retired merchant, while Mr. Wilson is manager of Saint John Drydock & Shipbuilding Co., Saint John.

On Target with
OFFICE SPECIALTY
FILING SYSTEMS and OFFICE EQUIPMENT

Scoring on the Industrial Front is primarily a matter of good direction and control. The control room of industry is the *office*. Efficiency *here* clarifies your sights and keeps you on the mark.

Are you neglecting this important factor? Have you the right tools for the job?

THE OFFICE SPECIALTY MFG. CO. LIMITED
HEAD OFFICE AND FACTORIES: NEWMARKET, ONTARIO
Branch Stores In Canadian Cities From Coast to Coast

● Canada's great railway systems are standing up magnificently under the strain of war . . . moving the vast stream of war materials from plants to docks, while carrying the fighting forces of the nation to and from homes, camps, and embarkation points. In 1942, they moved 57,457,000 tons MORE freight* than in 1939, while at the same time, carrying 2⅓ times MORE passengers.** A splendid record in a vital war job.

This tremendously increased volume of freight and passenger traffic has called for the building of much new rolling stock and other equipment and the careful re-conditioning of old equipment. In this important wartime task, Canadian Fairbanks-Morse has been of material assistance by the supply of machinery and tools for railway shops and equipment of many different kinds for construction and maintenance work.

	1939	1942
**Passengers carried.....	19,097,000	44,287,000
*Tons freight carried....	91,043,000	148,500,000

F M

Fairbanks-Morse is playing an important part in winning the battle of production. Listed below are some of the more essential "Tools of Production" that we are supplying to Canada's Wartime Industry.

MACHINE TOOLS
TOOLS (*Pneumatic and Electric*)
SHOP SUPPLIES
R'L'Y & CONTR'S EQUIP'T
SCALES
ENGINES (*Diesel and Gasoline*)
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REFRACTORIES
WOODWORKING MACHINERY
BELTING
WELDING EQUIPMENT
ABRASIVES
VALVES AND STEAM GOODS
CHAIN BLOCKS
AUTOMOTIVE EQUIPMENT
MOTORS AND GENERATORS

310

FAIRBANKS-MORSE HELPS THE WAR WHEELS TURN
The CANADIAN Fairbanks-Morse COMPANY Limited
HALIFAX SAINT JOHN QUEBEC MONTREAL OTTAWA TORONTO WINDSOR FORT WILLIAM WINNIPEG REGINA CALGARY EDMONTON VANCOUVER VICTORIA FACTORY SHERBROOKE QUE

The Editorial Page . .

Still Drafting Farmers

Despite the drastically urgent need for expanded food production from Canadian farms there is a continued sapping of farm manpower through the Army draft. Farmers are still being called from their land; in some cases there is no one left to keep the farm going, in others the loss of workers must necessarily mean reduced efficiency.

In army induction centres there are scores of farmers sitting around waiting for their examinations. Even should they be rejected, they will lose around a week's time while they are going through the various examination phases. Coming at this crucial time of the year such a loss is irreparable. The Financial Post knows of one farmer who disregarded his draft call, was later taken right off his tractor by the RCMP. His farm is now left in the hands of his young wife and a 15 months old child.

While the essentiality of farm work and the shortage of farm labor is recognized in the headlines and through statements of some prominent public figures, the actual truth seems to be that such recognition is being virtually disregarded. There is no indication that the draft is giving any consideration to this vital problem.

There is not a moment to be lost in arriving at a sane policy in this regard. Every hour that a farmer spends tied up with the draft means that much time lost in preparing his land for production. Neglect of this paramount consideration will be spelled out in the next few months in terms of decreased production, less food, more rationing, less for the war machine both at home and abroad.

Leacock On Our Gold Future

"There are three great questions that practically never leave us—the Woman Problem, the Drink Problem and the Gold Problem."

From that gay approach, Stephen Leacock writes in the current issue of The Canadian Banker what is a very sober and in some respects impassioned plea for restoration of the gold standard—a subject of the deepest national importance to Canada.

The professor makes no bones about Canada having a special interest in gold. He may surprise some with his blunt forecast:

"There is every likelihood that Canada will become the world's chief producer . . . There seems to be geologically no limit to the buried gold of Canada; undoubtedly it extends northward to the Coppermine and to the Arctic Archipelago itself. Research for gold will supply the immediate incentive to the opening up of a territory with incalculable further resources of minerals, power, oil and in lesser degree, fish, forest and ranges for cattle and reindeer. Unless gold loses its value—for on this is staked the future of millions.

"There is no doubt of the interest of Canada in gold. It goes far beyond anything that can be shown by statistics. It supplies the incentive, aura sacra fames—the cursed lust for gold—that opens up the waste spaces of the earth and turns private greed to a public benefit."

Professor Leacock feels confident that gold will remain, after the war, as an essential tool of the world's economy.

With relish he points out that both the British and American schemes for an international clearance currency, Bancor and Unitas, would be based on gold. Leacocks' particular relish comes from the fact that Professor Keynes, who at the end of the last war said the gold standard was "antiquated as a stage coach" has now changed his mind.

"Lord Keynes, when he was a professor, was content with an idea. Now that he is a lord he thinks like a lord, and wants something solid, no new gimcrack idea about it, something with class and antiquity behind it—in short, gold."

Some professorial economists have long repeated the quip that economist-humorist Leacock was at his most humorous when writing on economics.

The important thing, especially for Canadians, is that most expert opinion has swung back and settled down to the same view as Leacock, that gold has a big role to play in the world of tomorrow.

Our Mighty RCAF

Canadians have reason to be proud of their Royal Canadian Air Force and the Joint Air Training Plan so largely financed and operated by Canada. In a speech, which for frankness and real information revealed, might well serve as a model to other ministers of the crown, Air Minister Power in the House of Commons last week, presented a most impressive picture of accomplishments to date.

Total RCAF strength, Mr. Power placed at over 180,000, with a very high percentage of these highly trained air crew; air crew graduates from the training plan at "over 50,000 some months ago." Canadian air crew, said Mr. Power are fighting on every front, with 11 times as many attached to the RAF as are serving with the 32 RCAF squadrons overseas.

The cost of this development in both blood and treasure the Air Minister revealed has been high and is mounting. To date casualties in killed, died, missing and prisoners total just over 7,000. The money appropriation asked by Mr. Power for the RCAF this coming year is $1.3 billion, a gain of almost 100% from a year ago.

As in the First Great War, Canada is playing her full part in the war in the air.

False WIB Economy

Resignation of Leo Casey from the New York office of the Wartime Information Board and the intimation by General Manager John Grierson that he will not be replaced are both regrettable.

Casey is a top man in the U. S. public relations field. As an American, there were many things he could do for Canada which no Canadian could do. It was Casey who could call up top government bigwigs and win their co-operation in making favorable publicity for Canada. It was Casey who knew—usually on a first name basis—nearly everybody who is anybody in the U. S. publishing, picture and radio field.

Casey's salary of $12,000 in U. S. funds per year plus a few thousand extra for expenses was recently held up in the House of Commons as a horrible example of government extravagance. The fact is that Canada was paying Casey less than he normally earned. Whatever the record of other branches and offices of Wartime Information Board there is general agreement among impartial observers competent to judge that the vital New York office of WIB is doing an outstanding piece of work for Canada.

On an important job, spending too little money can be just as much felt as spending too much. And in this case, the opinion of observers who understand the public relations task is that not enough WIB money is going to the office which has the most important job to do, by far the biggest opportunity to do an important job and which, so far, has shown Canadians a high return on their money.

Capitalism Must Defend Itself.

Today a wave of irresponsible agitation and demogoguery threatens the existence of capitalism and free enterprise. For this situation supporters of the latter system must themselves shoulder some of the blame. They have failed to tell its story, to explain its vital functions and advantages and to inform the public as to what the ordinary worker has at stake in the preservation of an enlightened system under which business can be conducted in a manner to produce the maximum number of well-paid jobs.

In this contention The Financial Post finds strong support in the address recently made by the retiring president of the Trust Companies Association of Ontario, C. S. Hamilton. He maintains that "free enterprise can no longer continue an appeasement policy or remain silent." "Capitalism," he points out, "has been misunderstood, its advantages have not been adequately explained, while its errors have been magnified and distorted." He states:

"Uninformed public opinion cannot be ignored. The public distrusts mysteries and suspects what they do not understand. Lacking definite and specific information, they will accept as true the distorted picture presented by those who seek a scapegoat to blame for depression and all its consequences."

"The greatest protection is in telling the public, in telling and re-telling in a hundred different ways simply, directly and frankly what free enterprise is, what it does and why. It must meet with public acceptance, or it is not workable. Only those institutions can justify themselves which, directly or indirectly, make some contribution to the good of individuals or society."

For such ideas enlightened businessmen everywhere can offer support. To secure wider acceptance of the need for immediate action is vital; and it must be action of a kind which does not antagonize, which is taken in terms understandable by everyone and which can be made to apply to the personal circumstances of all, no matter how humble.

Cartoon by Grassick.

ATTRACTING QUITE A GALLERY

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won

Reconversion and Employment

Under the chairmanship of W. R. Yendall, the postwar reconstruction committee of the London Chamber of Commerce recently undertook a confidential survey of opinion among local businessmen regarding major postwar economic problems. Because London, Ontario, is a typical Canadian city, a commercial, manufacturing and financial centre surrounded by rich mixed farming country, a synopsis of the views of its leading business leaders is presented below as representing a significant sample of opinion.

* * *

The following is a summary of questions and answers:

Question:—How long a period of time do you estimate will be required to change over your business from war to peace conditions and to re-establish the volume of business you did in 1939?

Answer:—No time at all, 28. Three months, 5. Six months, 2. Nine months, 1. Two years, 2 (exceptional circumstances.)

Question:—Do you expect the demand for your products during the first two postwar years to be greater or less than in 1939?

Answer:—About the same, 11. Less, 4. (10% to 25%). Greater, 23, (by 25% to 100%).

Question:—Do you anticipate difficulty in securing necessary raw materials for your postwar production?

Answer:—Yes, 5. (Steel, textiles and spices.) No difficulty, 34.

As to the ability to make the change-over from war to peace satisfactorily on their own resources, one manufacturer says he may need some accelerated depreciation, one is anxious as to whether the government will relieve him quickly of a large inventory of war materials procured for a war contract, one will require considerable additional capital, and is doubtful about the capital market, while 37 anticipate no difficulty in making the change-over.

Some 17 of employers replying expect little change from present staff after the war. Ten expect a decrease averaging about 25%, and 10 expect increases averaging roughly 40%. The general situation, so far as London is concerned, appears to be that all slack in employment in certain industries, caused by cessation of war, will be taken up by other local industries whose products will be in greater demand, and that these expanding industries will be able also to absorb a great many people released from the armed forces.

Regarding difficulties through obsolescence of machinery, worn-out equipment, obsolescence of patterns and designs, 35 out of 40 returns anticipate no difficulty, and the situation in the remainder is not serious.

Three out of 38 businessmen expect some difficulty in renewing former outlets of distribution, or finding new ones, and the same number will be affected by any delay which may be occurred in setting up machinery for export trade.

As to the present taxes standing in the way of accumulation of necessary financial reserves for postwar purposes, 34 out of 40 are quite keen that something should be done about this, and are hoping that some measure of relief may be extended in the next budget, as the need of reserve capital for reconversion purposes will be acute in some cases.

Many businessmen pointed out the necessity of reduced taxation immediately at the close of the war, on the ground that a continuation of high tax rates would spread a feeling of caution and doubt throughout the business world and deter investment and enterprise.

There is a general uncertainty and doubt as to what will be feasible or desirable in the matter of adjusting the highly inflated wage scales that exist in some war industries to a sound postwar basis.

Great interest was shown in the matter of government "controls" with a strong tendency to abolish as many as possible, and to make a change where the question is doubtful rather than to be overcautious in continuing controls that would retard the rapid resumption of normal business. Sentiment is strong for complete release of raw materials, so far as priorities of delivery are concerned, leaving this situation for common-sense adjustment by businessmen. Sentiment is also strong, however, for continuation of price control on most raw materials, and on some finished goods for a considerable period, depending on how trade develops.

Post-Scripts . . . .

In Key Post

Next to being mayor, the most important civic job in Montreal is that of being president of the Board of Trade. Not only is there considerable honor attached to the post, but there is also a great deal of responsibility. Hence considerable care is exercised in selecting a man to head up that important body.

MR. WHITTAKER

President this year is 54-year-old Douglas Arthur Whittaker, who for the next 12 months will find little time to devote to his job as president and managing director of Sherwin-Williams Co. of Canada.

Born in the small town of Morrisburg, made famous by the late Dr. Locke, Doug. Whittaker came to Montreal in 1905 and secured his first job as a stenographer with Sherwin-Williams.

Early in his business career someone must have told him that a rolling stone gathers no moss. His whole business career has been spent with Sherwin-Williams. Through the business end, he gained promotion after promotion and finally was elected president.

Mr. Whittaker is a man with a very diverse character. His friends allege he is physically lazy. In support they say his favorite sport is curling, but he would rather watch a game than take part in it. He likes company, yet doesn't take any part in being "the life" of the party. No one would say he is a good mixer, yet he does mix and has the happy faculty of making friends who develop a deep affection for him. This applies not only among those he meets outside of his business, but within the business.

While Whittaker may not be the active physical type that is never happy unless rushing up to the Laurentians for a week end of skiing or golf, there is unaminous opinion about his being extremely active mentally.

He has another worthwhile asset for a president of the Montreal Board of Trade, who must attend official functions, in that he cares very little when he eats. He never eats lunch, and dinner at night can be served at 7, 8 or even 9 o'clock without causing him any qualms.

Being president of a business body is not a new experience for Doug. Whittaker. Back in 1925-26 he was president of the Quebec Division of the Canadian Credit Men's Trust Association. In 1930 he served as president of that organization. In addition he has served as president of Montreal's unique St. James Literary Society, training ground for many would-be speakers.

New Rations Chief

Vancouver's eminent Woodward family during the last few years has provided some convincing evidence that efficient public service and good merchandising go hand in hand.

The late "Charlie" Woodward demonstrated that first when he adopted politics as a side-line activity to his enormous department store business on the west coast. He made an excellent record as a leglislator in the British Columbia house. Charlie Woodward was the father of Colonel W. C. Woodward, who was executive assistant to Hon. C. D. Howe during the first two years of the war and who is now lieutenant-governor of British Columbia.

MR. WOODWARD

And now there is yet another Woodward to distinguish himself in government war service—P. A. "Puggy" Woodward, also a son of the late Charles Woodward, Vancouver's master merchandiser. P. A. has just been appointed as administrator of consumer rationing for Canada, with offices in Montreal, succeeding L. B. Unwin, who resigned the office a few weeks ago to resume his active duties as vice-president of the Canadian Pacific Railway.

If there is one thing that all the Woodward's have known full well it is the viewpoint of the big distributor and of the consumer because for a good many years Woodward Stores, Ltd. in Vancouver and Edmonton have enjoyed probably the largest turnover of any western department store organization, and most of the company's success has been due to the tradition established by the founder to "give the consumer more than a break."

The Woodward boys—P. A. and W. C.—were born on Manitoulin Island, Ont. where their father had established a trading post and store more than 60 years ago. It was there that Charlie Woodward learned the value of personal friendship in business. He knew all his neighbors' problems and wherever he could he assisted them. When he found that Manitoulin Island was much too small a community for his spirit of enterprise and he moved west to Vancouver, he tried to maintain the same close contact with his customers.

Charlie Woodward decided to make Billy the financial expert of the family and hustled him into the Royal Bank of Canada after a brief apprenticeship at bookkeeping. P. A. was to be the merchandising specialist; his place was in the store, and for early 40 years that was where he stayed, running the details of a company that spectacularly kept pace with Vancouver's skyrocketing advance. Long ago W. C. Woodward returned to the business and when the elder Woodward passed from the scene several years ago the man who is now lieutenant-governor became the president of Wood-Ward Stores, Ltd., with P. A. vice-president, a position which he still retains.

Last March P. A. was given his first important job in government service as president of Northwest Purchasing Company, Ltd., a crown company responsible for all the purchases for the Canadian and United States Governments in the north country where new construction work has been changing the map. When Mr. Unwin asked to be relieved of his duties as director of consumer rationing, one of the biggest jobs in the Wartime Prices and Trade Board organization, Chairman Donald Gordon asked Hon. C. D. Howe for the transfer of the Vancouver merchant to the rationing post. Thus Mr. Woodward joined the rapidly widening circle of Vancouver business leaders who are playing a prominent role in Canada's civilian war organization — H. R. MacMillan, A. H. Williamson, Phil Malkin and so on.

His new job is one that P. A. Woodward will like because it is "right down his alley." Those who know him best say that his chief advantage will be that he already has learned the basic essentials of the office—the complexities of goods supply, distribution, jobbing and brokerage and the wholesale and retail aspects of large-scale merchandising.

Mr. Woodward for all his gifts is a modest man who prefers the background. The spotlight has often turned on his distinguished brother, who has a natural flair for public activity. P. A. has scrupulously avoided it; there was always too much work to do.

Money Raiser

President-elect of the Ontario division, Canadian Red Cross Society, is C. Bruce Hill. He has made his home at St. Catharines, Ontario, only since 1925 but, in that comparatively brief period has established himself as one of the city's most popular and highly regarded citizens.

MR. HILL

Bruce Hill has crowded a lot of things into his 48 years of experience. His business associations have ranged from bank clerk to farming, contracting and manufacturing. He went overseas in 1914 as a gunner, and, returned four years later as Major Hill in command of the 55th Battery.

Hill attended public school and Ottawa Collegiate, completing his schooling at Trinity College School, Port Hope. His first job as a bank junior was cut short by the outbreak of the Great War. In the latter he saw action in every battle in which the Canadian Corps participated as a force. At Passchendaele he won the Military Cross, and a Bar was added to it at Amiens in 1918.

Bruce Hill changed from khaki to overalls, and farmed at Clarkson, near Toronto for four years. He wears a watch which he received in recognition of his services as secretary of the Toronto division, Ontario Vegetable Growers Association. When Hill arrived in St. Catharines in 1925 he was a member of the firm of Hill & Sibbald which had acquired the contract for the sodding, fencing and roads of the Welland Ship Canal lands. The firm, which employed upwards of 500 men, laid more than a million and a half yards of sod along the canal lands from Port Weller to Port Colborne. The firm gradually entered the general construction field along the canal. Later the company built docks at Port Hope, Owen Sound, and Murray Bay in the St. Lawrence River. Eventually, Hill bought out the Sibbald interest.

In 1932 Mr. Hill had purchased control of the Engineering Tool & Forgings Ltd., and in 1937 he assumed active management of the concern. Today, he admits, that when he stepped into the highly competitive manufacturing game he was a green novice, but he adds: "I know a little bit about it now." Manufacturers of small hardware such as wrenches, hammer, pliers, and other similar tools, Engineering Tool & Forgings has expanded 4½ times since the outbreak of hostilities and 85 per cent of the output is war production.

Bruce Hill's association with community undertaking has been as active and successful as his business life and today in St. Catharines his services as an organizer and leader are sought out before any campaign is planned. He was chairman of the organization committee which raised $50,000 in public donations to build the $100,000 Garden City Arena —the remaining funds being raised by municipal debentures. He is president of the St. Catharines Branch of the Canadian Red Cross Society, one of the outstanding branches in Ontario, raising in the recent campaign the sum of $90,000. In the Fourth Victory Loan and in previous campaigns he headed up the County Sales Organization which has raised millions of dollars.

"There is only one kind of politics for France: Fight and win the war."—*General Henri Giraud.*

The Financial Post

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Other People's Views . . . .

The Canadian Editorial of the Week

Let's Face the Facts

Winnipeg Tribune

People who have been bombed day and night, like the British, show least sentimentality about this war. They know the kind of enemy they are fighting and they know what kind of war it is. And when they speak of meting out justice to these enemies, they mean justice beginning with punishment of the guilty.

Unless we are to remain childishly sentimental, surely we must realize by now that we are dealing with savages who have modern weapons out primitive instincts. From the beginning of the Chinese war, the Japanese have behaved time and again with unspeakable barbarity. Coldly must we reckon with this. The only answer to savagery is iron hardness.

Nor are the Nazi gangsters any better. Their ruthless, scientific extermination of jews and Poles is one of the coldest and most calculated mass murders in history. Nothing could be more foolish than to sentimentalize about the German people as long as they tolerate such masters.

The same goes for the Italians just so long as they put up with Mussolini and his Fascist gang. The Italians are squealing now, but they did not squeal when Mussolini sent his token force of bombers to blitz the British civilians and to show his solidarity with Hitler. The Italian people, like the German people, must now pay the price of having tolerated gang rule in their own country and international gangsterism abroad.

Many traps are being laid for the sentimental among the United Nations just now. There are rumors, for example, of the abdication of the King of Italy in due course. So what? Are some of the Fascists preparing to rat so that they may hope to crawl over to the Allied side? The terms that were laid down at Casablanca apply to Italy as well as Germany and Japan—"unconditional surrender."

From Germany, too, come signs, not so much of ratting but of preparation of decoy ducks. That ancient stage property, Hjalmar Schacht, seems to have been refurbished. He is supposed to have been expelled from the Nazi party. Dr. Schacht, in days gone by, was used time after time to decoy the democracies. A good motto for the times would be, "Beware the Nazis—particularly when they profess a change of heart."

The only answer to brutality is toughness and scientific, calculated warfare of the kind unleased by the RAF and the RCAF.

What the Papers Are Saying . . .

This is Treason

Halifax Herald

Retail dealers all across the Dominion are reporting a growing increase of stealing from their shelves of rationed food commodities such as tea, coffee, butter and sugar.

The Wartime Prices and Trade Board has announced that it intends to deal severely with all persons convicted of stealing such commodities.

Such persons, says the official statement, will be charged with "receiving rationed goods without "coupons" for which the maximum penalty on conviction is a fine of $5,000 and two years imprisonment.

Nor are the penalties one whit too severe. Thievery of any kind is a criminal offense, but the stealing of rationed food commodities in the time of war is in sober truth a form of treason against the State.

* * *

As Others See Us . . .

Cancelled War Orders

Vancouver Sun

It is impossible, of course, to retool a factory to make a new weapon without serious dislocation during the period of transition. Many workers may be without jobs while this process is under way. Labor power and time are lost, but this cannot be avoided.

Evidently the dislocation now impending is of serious proportions. The Financial Post estimates that the jobs of 250,000 Canadians in war factories may be affected to greater or less degree during the period of re-tooling. Unless the government adopts a firm and well-planned policy the loss of labor power, the wastage of time and the occurrence of unemployment might prove extremely grave.

The government cannot be blamed for not anticipating all the changes in the technique of war and the changing requirements of the fighting forces of the United States. It can be blamed if it does not face the new problem of conversion boldly, with a well-laid plan.

* * *

Stop Me If . . . .

A little girl was put in an upper berth for the first time. She kept crying till her mother told her not to be afraid because God would watch over her.

"Mother, are you there?" she cried.

"Yes."

"Father, are you there?" she said.

"Yeah."

A passenger lost patience and bellowed: "We're all here. Your father and mother and brothers and sisters and aunts and uncles and cousins. All here —now go to sleep."

There was a pause, and then very softly, "Mama."

"Was that God?"

Sayings of the Week

"The colossal deviltry we fight against is materialism come to us in full-grown consequences."—*Harry Emerson Fosdick.*

* * *

"The Japanese people themselves have become the slaves of their own army, gendarmerie and police." — *Joseph C. Grew.*

* * *

"Something more than brains, brawn, machines and material is needed to bring peace to mankind." — *Archbishop Spellman.*

* * *

"In terms of climate, resources and competitive location, the evidence points against marked expansion of occupational opportunities in this country."—*Prof. C. A. Dawson, McGill University.*

* * *

"The attempt of the Conservative Party in the past six months to rejuvenate itself may, it is true, restore something like the old two-party monopoly of Canadian politics. But the Conservatives have so long been unacceptable to Quebec and the Prairie Provinces and their deep-rooted British colonialism so unfits them for dealing with the new era of Canadian-American relations that they have probably lost the possibility of becoming again a national party."—*Prof. F. H. Underhill, University of Toronto, speaking before the Canadian Historical and Political Science Associations at Hamilton.*

Ceiling Hinges on Food, Labor

Donald Gordon Stresses Need for Stable Wage Level

Declaring bluntly that "if we Canadians cannot hold down food and labor costs, we shall have to abandon the price ceiling," Donald Gordon, WPTB chairman, supplied verbal and documentary evidence to drive home this point before the National War Labor Board this week.

Food prices and labor costs, stressed Mr. Gordon, are the two major factors which can make or break the price ceiling, although there is still some room for elimination of waste in production and distribution of goods through simplification, standardization and elimination of frills.

DONALD GORDON STATES THE PROBLEM

"It is not for the Wartime Prices and Trade Board to say that maintenance of the price ceiling is more important than allowing increased wage rates or, for that matter, increased farm prices. But it is the duty of the Board to point out that such increases will in all cases, weaken the price ceiling and if carried too far will destroy it. The people of Canada will have to decide which they want more."

Wages 60% of All Costs

Wages and salaries account for 60% of all production and distribution costs in Canada, excluding depreciation and taxes, Mr. Gordon said. Every increase in wage rates (unless accompanied by increased output) means an increase in costs which must be borne in one or more of these ways: price increases, direct subsidies or indirect subsidies through reduced Government revenues.

"If wage increases are passed on in the form of higher prices for goods, the results are obvious," Mr. Gordon declared. "The cost of living goes up . . . and the familiar inflationary spiral gets under way. For this reason, the WPTB has not accepted wage increases as justification for raising prices."

Profits Squeezed Already

Although the "squeeze" on profits from rising costs and fixed prices varies, "a very considerable squeeze" has already been absorbed by general civilian industry, it was pointed out. The margin in some essential industries was declared to be so small that an increase in labor costs would mean either increased prices or the meeting of increased cost by Government subsidy. "If one group takes a larger share of the national pie, others have to be prepared to take less."

If prices aren't increased, and direct Government subsidies aren't provided, the Government stands to suffer from reduced corporation tax revenue, Mr. Gordon said. "This reduction will be 40% in the case of companies paying the minimum rate of corporate tax or 100% in the case of companies in the excess profits category. The Government then faces the problem of raising these funds from some other source."

Experience has shown that the price ceiling can be successfully administered if all groups in the community are prepared to co-operate, Mr. Gordon said.

Wages up 21.5%

Mr. Gordon submitted the following D.B.S. weekly wage figures for eight leading industries as evidence of the gradual increase in wages which has been placing a squeeze on business:

Per Capita Earnings
(Eight Leading Industries)

Month	Weekly Wage $	Month	Weekly Wage $
1941:		1941:	
June 1	25.25	May 1	28.59
July 1	25.49	June 1	28.20
Aug. 1	25.69	July 1	28.49
Sept. 1	26.04	Aug. 1	28.62
Oct. 1	26.37	Sept. 1	29.29
Nov. 1	27.02	Oct. 1	29.51
Dec. 1	27.32	Nov. 1	29.81
1942:		Dec. 1	30.06
Jan. 1	26.13	1943:	
Feb. 1	27.65	Jan. 1	27.92
Mar. 1	27.92	Feb. 1	29.96
Apr. 1	28.41	Mar. 1	*30.70

*Preliminary.

From June, 1941, to March, 1943, per capita weekly earnings in eight leading industries appear to have increased by 21.5%, he points out. Part of this increase is attributed to wage rate increases but it also reflects longer hours, overtime (sometimes at higher rates), increased production at piecework rates, upgradings, promotion shifts from lower to higher paid occupations, and other factors.

Living Cost up 16%

Despite the higher wage rates, Mr. Gordon submitted indices to show that the rise in the cost of living in Canada so far has been relatively small: 16% from August, 1939, to February, 1943, compared with increases of 22.6% and 28.4% for the United Kingdom and the United States respectively. Increases in wholesale prices were given as follows: Canada, 34.9%; United States, 36.7%, and the United Kingdom, 65.2%.

Profits Strictly Limited

"The effect of personal and corporate taxes, taken together, is to impose as strict a control over wartime profits as exists anywhere in the world," Mr. Gordon declared in an appendix on the control of profits. "Broadly speaking," he continued, "it is impossible to retain excessive profits made out of the war."

Net effect of the 40% corporation tax and the EPT is an assurance that no corporation will retain more than 70% of its standard (1936-1939) profit although a 20% refund is allowed where the 100% EPT clause applies, it was pointed out. Corporate taxes are further taxed under the personal income tax, Mr. Gordon stated.

Purchasing Power a Problem

The problem of surplus purchasing power is seen as arising on the one hand from increased employment and higher wage rates; on the other hand from the reduced volume of civilian goods following emphasis on war production. Measures designed to reduce purchasing power — increased taxes, saving and rationing — are viewed as absolutely essential if the price ceiling is to be maintained.

How surplus purchasing power has mounted is shown by Mr. Gordon in the following tabulation:

Estimated Income and Expenditure of Individuals

	1938	1939	1940	1941	1942	*1943
	Millions of dollars					
1. Income received by individuals	4,100	4,390	4,900	5,850	6,850	7,600
2. Less: Direct personal taxes and rates	150	150	200	350	600	950
3. Net disposable income of individuals	3,950	4,150	4,700	5,500	6,250	6,650
4. Less: Spent on goods and services	3,400	3,500	3,800	4,250	4,450	
5. Unspent income	500	650	900	1,250	1,800	

*Tentative.

Report on Air Training

Last week in the House of Commons, Canada's Air Minister, Hon. C. G. Power, supplied Parliament with some hitherto undisclosed facts and figures about the Royal Canadian Air Force. The Air Minister was speaking to the War Appropriation Bill and during the course of his address submitted cash estimates for the RCAF for the fiscal year 1943-44. Total costs for the coming year are to be $1.1 billions, almost twice last year's $603 millions. Other highlights follow:

PERSONNEL	
Total enlistment (at May 14)	200,290
Discharges, retirements, etc.	13,224
Casualties	7,050
Present strength	180,172
Women's Division	11,390
TRAINING ROUTINE	
Total flight miles since inception	6,588,098,593
Average daily flight miles	2,006,626
GRADUATES	
Aircrew trained	50,000
Personnel sent overseas	40,000
THE COST	
Casualties in Canada to April 30, 1943	1,367
Casualties overseas	5,683
Cash requirements for fiscal year 1943-1944	$1,129,421,414

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The Week in Business

Preliminary figures indicate that general industrial activity in Canada is still rising and that the acceleration in April was greater than in March. To what extent activity later in the year will be influenced by continued unfavorable weather conditions which are making it impossible for much of Canada's crop to be planted this spring is hard to estimate. That it will be a factor, however, can be accepted in view of the part which agriculture plays in the Canadian economy.

Department store sales in April were 9% higher than a year ago and 8% above March. To a considerable extent April sales this year are influenced by the late Easter season. Women's apparel sales are up 15%; men's clothing up 8% and footwear up 7%. Stationery and books were outstanding with a 35% gain.

Carloadings for the week ended May 15 were slightly higher at 66,199 compared with 65,257 a year ago. Cumulative total this year to May 15 is less than 1% down.

Building permits in April amounted to $7.3 millions compared with $5 millions for March and $9.1 millions for April, 1942. Cumulative total this year is down 37.0%.

Cigarette consumption in April was almost 30% higher than a year ago and for the first four months this year there is a gain of 25.4%.

	Apr.	Mar.	Feb.	Jan.	Year Ago
Financial Post Production Index	256.5	252.4	252.0	239.0	208.1
•National income D.B.S. (c)	....	725	700	693	583
•Dom. war expend. (million $)	136.9	....	199.6	185.0	135.0
•Dom. total revenue (do.)	177.8	....	169.4	216.8	170.8
•Dom. total expend. (do.)	169.5	....	228.1	233.2	240.3
▪Dept. store sales index no.	153.1	164.2	154.5	147.8	148.8
•Retail sales index no.	....	167.7	168.5	155.5	161.4
•Wholesale sales index no.	....	173.6	146.2	129.9	155.4
Country store (% change pr. yr.)	....	+13.0	+16.4	+7.9	+13.8
Divd. payment index§	122.0	122.1	122.3	122.5	121.0
Bank deposits (1935-39=100)	163.8	151.7	150.0	157.0	140.0
Cash and cheque pay. index	....	161.9	149.2	155.3	163.1
Bank debits (1935-39=100)	....	158.7	152.1	148.3	165.2
Money supply (c)	....	4,244	4,182	4,344	3,712
NEWSPRINT % OF CAPACITY—					
•Production ratio	62.0	64.2	64.9	65.6	75.0
•Shipment ratio	65.0	64.6	65.1	60.4	64.4
RAILWAY FREIGHT LOADINGS—					
Tons (D.B.S. index)	....	....	175.5	155.1	169.3
Cars (D.B.S. index)	....	....	139.7	130.5	140.4
COST OF LIVING—					
D.B.S. index	117.6	117.2	116.9	117.1	115.9
EMPLOYMENT INDEX No. D.B.S.—					
All industries	....	181.5	181.2	183.7	165.1
Manufacturing	....	223.4	222.1	219.6	195.7
Payrolls (June 1/41=100) (b)	....	143.2	139.5	131.9	119.3
Payroll index (a) (1937=100)	....	228	214	216	191

	1943	1942	1943	1942	Change
RAILWAYS—					
▪Carloadings (week May 15)	66,199	65,257	1,231,251	1,243,370	—0.9
▪C.P.R. gross (week May 21)	$ 5,600,000	4,960,000	103,297,000	93,099,000	+10.9
▪C.N.R. gross rev. (Apr.)	$ 38,444,000	28,316,000	134,551,000	107,939,000	+24.6
▪C.N.R. net rev. (Apr.)	$ 9,334,000	7,078,000	26,814,000	22,303,000	+20.2
C.P.R. gross rev. (Mar.)	$ 24,041,211	20,746,457	63,282,657	57,644,844	+9.7
C.P.R. net rev. (Mar.)	$ 3,617,419	3,785,935	8,677,442	9,984,011	—13.1
IRON AND STEEL—March)—					
Pig iron production (tons)	160,101	167,116	414,668	474,245	—12.6
Steel production (tons)	270,962	265,903	723,558	767,840	—5.7
CONSTRUCTION—					
Contracts awarded (Apr.)	$ 16,047,300	22,512,100	58,161,200	64,295,000	—9.5
▪Building permits (Apr.)	7,342,378	11,299,775	18,332,275	29,110,718	—37.0
Cement prod., bbls. (Feb.)	277,766	299,361	571,901	582,756	—1.8
AGRICULTURE—					
Flour prod., bbls. (Mar.)	2,193,029	1,806,854	6,146,803	4,947,682	+24.2
Cattle sales▴ (Apr.)	84,680	79,608	314,254	359,331	—12.5
Hog sales▴ (Apr.)	531,813	631,098	2,155,323	2,226,043	—3.1
SEA FISHERIES—‡					
▪Catch cwts. (Apr.)	297,008	313,507	1,415,238	2,377,574	—40.4
▪Landed value (Apr.)	1,642,790	1,302,052	4,311,922	3,893,978	+10.7
NEWSPRINT—					
Production, tons (Apr.)	229,573	227,741	931,779	1,163,581	—19.9
Exports, tons (Apr.)	226,886	221,541	866,650	1,034,434	—16.2
MINING AND OILS—					
Coal prod., tons (Mar.)	1,665,853	1,610,232	4,766,921	5,241,510	—9.0
Gold rec., fine oz. (Mar.)	279,282	377,109	963,137	1,164,622	—17.3
Petroleum prod., brl. (Feb.)	779,998	846,026	1,640,788	1,721,685	—4.7
ELECTRIC POWER OUTPUT—(March)—					
Total monthly, 1,000 kw.h.'s	3,329,266	3,220,953	9,498,451	9,311,680	+2.0
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. (Mar.)	3,185,049	2,921,536	8,623,240	8,011,567	+7.6
Cotton consump., lb. (Apr.)	15,899,807	17,863,817	64,587,318	67,591,899	—4.4
▪Cigarette cons., No.† (Apr.)	986,666,102	767,456	3,858,883	3,076,734	+25.4
FINANCE—					
Bank debits† (Mar.)	$ 4,011,883	4,176,830	11,623,354	10,300,483	+12.8
Bond sales† (Mar.)	$ 378,948	1,088,280	1,113,282	1,279,470	—12.9
Life insurance sales (Mar.)	$ 46,730,000	35,876,000	127,570,000	118,314,000	+7.7

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▴Total at yards and plants. †000 omitted. •Millions of dollars.
§Supplied by Nesbitt, Thomson & Co. ▪1935-39=100. (c) 000,000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

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B. C. Saw Firm Plans Growth

Industrial Engineering Ltd. to Carry on Business of Reed-Prentice

A development of interest to the Pacific coast logging industry was the recent incorporation of Industrial Engineering, Ltd., for the production of power saws for the domestic market. This new company, according to announcement by D. J. Smith, general manager, will continue in expanded form the operations of Reed-Prentice of B. C. Ltd., an organization long known in the power saw manufacturing field.

From Mr. Smith it was learned that a group of Vancouver businessmen have purchased the business of Reed-Prentice of B. C. Ltd., and will continue operations at the company's plant on Franklin Street in Vancouver. Mr. Smith disclosed that the new company plans for greater cultivation of the eastern Canadian field. For this purpose an office has been opened in the Confederation Building, Montreal. It will be under the direction of Ralph M. Weekes of Vancouver. The Montreal office, it is learned, will act as a service branch as well as a sales organization.

Industrial Engineering, Ltd., claims the distinction of operating the only chain saw plant in North America which builds an entire unit, including motor, in its own factory.

Officers and directors of the new firm are:

George W. Sweny, president; George W. Thompson, vice-president; A. V. Stedham, secretary-treasurer. Directors are D. J. Smith, Ray A. Pitre, George W. Sweny and J. Lyman Trumbull.

is a farm home worth?

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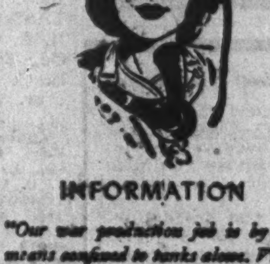

INFORMATION

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AND ITS EMPLOYEES
IN WAR AND IN PEACE — A NATIONAL ELECTRICAL SERVICE

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY *Adelphi*

LONDON.—What a day! The sun has gone all African like everything else. Five days ago England was an island gripped by an Arctic rain and an evil, heart-chilling wind.

And here we are roasting in a tropical blaze.

Mr. Attlee got a great cheer in the House of Commons when he rose to announce: "I now declare officially that all resistance in Tunisia is at an end."

Everyone knew that the fighting was over but it was good that the great old house should hear it and from the same Despatch Box where M.P.'s were told that France had surrendered, that Singapore was gone and that Egypt had been invaded.

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Comings and Goings

The first suspicion that Churchill was not in the country was when Mr. Attlee gave us the great news of the fall of Tunis and Bizerte. It was a chance that Churchill would not have missed — and rightly so—had he been here. Yet the secret of his departure was surprisingly well kept. Actually there were some elaborate deceptions which cannot be described just now but will make interesting reading later on.

I liked the cartoon in a London newspaper this morning. It showed President Roosevelt handing a key to Mr. Churchill. "Take this key," said the President, "it will save you the trouble of knocking."

Lord Beaverbrook's unofficial visit at the same time has led to much conjecture over here. Actually the explanation is not an elaborate one. The Canadian-born peer has established an excellent understanding not only with M. Stalin but with M. Maisky, the Soviet Ambassador to London.

It is one of Mr. Roosevelt's regrets that neither he nor Mr. Cordell Hull have made personal contact with the Russian Government. The President, like Mr. Churchill, places high value on Beaverbrook's knowledge and advice. I think that explanation disposes of the mystery.

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Who's Next for India?

The British Government is having difficulty in finding a new viceroy for India. For one thing it is realized that the new man will assume office in the most difficult Anglo-Indian period for many decades. Therefore he cannot be merely a stately and ornamental figure.

On the other hand it will not be sufficient for him just to be an efficient administrator. The Indians are impressed by grandeur and they expect the viceroy to do things on a magnificent scale. This makes it essential that the occupant of the post should be a rich man.

Thus we are looking for someone who is healthy, wealthy and wise. Not an easy bird to trap.

Viscount Cranborne was offered it but no Cecil likes to leave the political scene and young Cranborne is making a fine success as leader of the House of Lords. Sir Samuel Hoare, our ambassador in Spain, is willing to go but he is still a controversial figure as "A Man of Munich."

Some of the Tories want the Marquis of Zetland to go but he is getting on in years and the Government wants to appoint someone of Anthony Eden's generation. So for the moment glory is going a-begging.

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Banking and Ballet

Lord Keynes was in Bristol on Tuesday for the opening of the first state aided theatre in the history of the country. On Wednesday he was in the House of Commons to hear his international currency plan debated.

He is a remarkable man, this Cambridge professor who married a lady of the Russian ballet and loves the arts almost as passionately as he does economics. He speaks like a poet and has a light, springy step when he walks. Not long ago he financed an Anglo-Polish season of ballet. Someone suggested that he and Montagu Norman should do a ballet entitled "Bank Holiday." From the look in Keynes' eye one could see that he considered the idea with some favor.

Lord Keynes is now chairman of the Council for the Encouragement of Music and the Arts — otherwise known as CEMA. This is aided by state funds, a complete departure from precedent. If they declare a play to be educational it pays no entertainment tax. Symphony orchestras are subsidized to appear in provincial towns, while artistic programs are financed for the factories.

But at Bristol the council bought the lease of the famous old 18th century Theatre Royal, had it restored and opened on Tuesday with "She Stoops to Conquer." The author of these notes went along with the crowd from London and made their way through the devastation of Bristol to the grisly docks near which the theatre stands.

Poor Bristol! How cruelly she has been bombed. There are parts of the city that look like Ypres in 1918.

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Wages of Sin

We have seen a production of Brieux's long banned play "Damaged Goods." An indifferent company played it as well as could be expected of British actors portraying a drama which is essentially French. What is more it is essentially of the France that existed 40 years ago.

The interesting thing is that the Puritans should so long have banned this red hot, passionately sincere moral diatribe. "I will show you the wages of sin and I shall appeal for purity," cried Brieux. The Puritans answered: "Oh, no you won't, you can show us the pleasures of sin on the stage but you are not going to show our sons and daughters the dreadful penalty of sin."

Even today there was one London morning newspaper which refused to review the play. In spite of the fight still being put up by the moralists three companies are going on tour with "Damaged Goods" backed by the most enlightened men in the medical profession. One must admire the tenacity and accept the sincerity of the Puritans, but their lack of logic must make the angels weep.

• • •

Jack Point observed that there was humor in all things. Yesterday I ran into "Tich" (the Marquis of Tichfield), who was until last week one of the most popular members of the House of Commons. With the death of his aged father, however, he now becomes the Duke of Portland.

"I went down to the House of Lords," he said, "to see about getting my patent of nobility and they asked me to produce the birth certificates of my father and mother. I don't know where they are. No one does. It looks as if I'm going to be a disembodied spirit, neither one thing nor the other."

• • •

When will the Germans collapse? That is the question everyone is asking, perhaps foolishly. But the revelations of the surrender in North Africa are astonishing. Our armistice terms were that the enemy should surrender unconditionally and not destroy their arms.

The Germans agreed and handed over 1,000 guns and 250 tanks in perfect condition — more than our army had altogether in France in 1940.

The authorities are trying to make it out. Is it just stupid, bovine discipline on the Germans' part or is there something radically wrong in the Nazi complex?

Rightly or wrongly we are vastly encouraged. We have an army which is flushed with victory, and an enemy that is crushed with the bitter experience of defeat.

J. Allyn Taylor, newly appointed Trust Superintendent of The Canada Trust Company at head office, London, Ontario. For eight years he was estates manager at Winnipeg Branch.

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TORONTO MONTREAL WINNIPEG

O. E. Manning Heads Trust Cos. Association

O. E. Manning, managing director of the Grey & Bruce Trust & Savings Co., Owen Sound, has been elected president of the Trust Companies Association of Ontario. He succeeds C. S. Hamilton of the Trusts & Guarantee Co., Toronto. H. A. Clarke of the National Trust Co., Toronto, is vice-president and L. G. Goodenough secretary-treasurer. Executive committee consists of:

Charles Bauckham, Sterling Trusts Corp., **Thomas B. Holmes**, Premier Trust Co., **J. F. Hobkirk**, Montreal Trust Co., **T. D. Leonard, K.C.**, Canada Permanent Trust Co., **John J. Gibson**, Chartered Trust & Executor Co., **A. R. Courtice**, Toronto General Trusts Corp., **J. W. Berry**, Guaranty Trust Co. of Canada, and **R. L. Crombie**, The Royal Trust Co., Toronto; **T. F. Walker**, London & Western Trusts Co., and **R. P. Baker**, Canada Trust Co., London; **F. V. Wilson**, Waterloo Trust & Saving Co., Kitchener.

To Requisition Cheddar Cheese

To meet Britain's requirements of not less than 150 million lb. of Canadian cheese by March 31, 1944, all cheddar cheese made in Ontario and Quebec after June 1 will be taken by the Dairy Products Board.

The Department of Agriculture, making the announcement, said present production of cheese is less than in the corresponding period of 1942, and requisitioning is essential to maintain monthly shipping schedules.

New Books . . .

Beveridge Explained

INSURANCE FOR ALL AND EVERYTHING, by Ronald Davidson, Published by Longmans, Green & Co., Toronto. Price 35 cents.

Few documents published in the last generation have created as much stir or are likely to have as far-reaching influence as Sir William Beveridge's report in which is set out his "Plan for Social Security." Perhaps no one can fortell the shape of things to come but it already seems certain that this report has helped to draw the pattern of society.

This 32-page pamphlet attempts to explain, briefly and simply, the main features of the Beveridge plan and to give some measure of practical examination of its proposals. Not entirely in favor of all aspects of the plan, the author nevertheless feels that this plan will leave a permanent mark and embodies many features which political and economic planners will have to consider.

The Committee Reports

HEALTH INSURANCE, report of the advisory committee on health insurance to the special committee on social security. Published by the King's Printer, Ottawa. Price $1.50.

Now available for the first time in complete, printed form, this report, recently presented to the Special Committee on Social Security, is something of an encyclopedia on health insurance. In addition to the details of the measures proposed for Canada, it includes elaborate data on health conditions in Canada, a historical survey of health insurance schemes throughout the world with an explanation and comparison of various plans now in force.

It gives summaries of the economic status of the Canadian people, estimates of the cost of the proposals now before the special committee and reprints various submissions made to this committee by interested organizations. Within the 558 pages of this book can be found a tremendous amount of vital statistics and related information, much of it illustrated by graphs or maps.

Postwar Relief

RELIEF DELIVERIES AND RELIEF LOANS, 1919-1923. Published by the League of Nations, Geneva. Price $1.00.

After the war, problems of relief, loans and rehabilitation will be of great importance. Already many organizations are studying the problem.

For this reason there will be much interest in this League of Nations' publication which deals with relief deliveries and loans from 1919 to 1923. The conclusions drawn bring out desirability of determining as far in advance as possible what will be needed, nutritional value of diets to be provided, and financial implications of various relief measures. To treat relief and reconstruction as separate and distinct problems is dangerous, it is emphasized.

U. K. Newsprint Imports 65,892 Tons in 1942

Newsprint imports into the United Kingdom during 1942 totalled 65,892 tons. This figure is based on the figures for weekly imports furnished by the Newsprint Supply Co., says a British trade paper. In pre-war years Britain imported from 200,000 to 250,000 tons annually from Canada.

More People Must Go Outdoors Than Ever Before

More people are employed—1,300,000 of them women. Still more thousands are in voluntary war work. All of these people must go outdoors every day—not forgetting the housewife's trips to market. They all see Posters.

POSTER ADVERTISING ASSOCIATION OF CANADA, 80 Richmond St. W., Toronto

"The manner in which Canadian troops throw themselves into the long arduous months of intensive training; the spirit which they display in combat is a mark for the rest of us to shoot at."

PRESIDENT

PAVING THE WAY for any offensive action, the Engineers are foremost in the field. While enemy planes strafe and dive bomb advanced positions, these skilful beavers in battle dress launch a floating bridge to carry the light advance forces and secure the bridge head. This is quickly followed up by a huskier bridge that will stand up under the rumble of heavy tanks, trucks, artillery tractors and other vehicles of war (see sketch above).

First in, last out in military operations, the Sappers hack roads through thick jungle, locate and dig up hidden mines, make unexploded bombs safe. They dismantle booby traps, erect suspension bridges and provide water supplies to all formations in the field. Most United Nations victories have been made possible because our Engineers have overcome all enemy obstacles,—taking *hours* instead of days to peg out safety lanes through mine fields and make way for the attack.

With modern mobile equipment, the Engineers today take the "impossible" in their stride! When the history of this war is finally recorded, many of the highlights will be provided by the courage and achievements of our gallant Sappers.

• • •

More than 40 types of modern military vehicles made by Ford-of-Canada craftsmen include several special units used by Engineers of the United Nations. Illustrated above is the "Derrick"—a powerful, useful vehicle which helps these scientific warriors make miracles look like routine work.

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● The biggest lesson learned from this war applies also to individuals. Lack of preparedness put the United Nations on the spot. For the same reason many people are on the spot when big opportunities are offered them. If you are going to be prepared for future opportunities, you must plan your strategic campaign now! The time-tested plan of Investors Syndicate : : : built to your own specifications; is a scientific way to accumulate a sum with which to take advantage of business opportunity : : : to protect your business : : : or to provide a monthly income when you retire from work. Learn how your dollars today can do *double duty* : : : work for Victory : : : and at the same time build security for yourself. For details, *write to-day!*

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We Have Been Asked . . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

INCOME TAX

Allowance From Britain

I am a native of Canada, married to an employee of the British Government who is now a civilian prisoner of war in Hong Kong. I managed to return to Canada and am being allowed about $64 a month from the British Ministry of Pensions as a dependent's allowance. I have obtained a clerical position here in a government office, but no taxes are being deducted from my salary cheques because I am classed as married but not supported by my husband. Should I file an income tax return and am I taxable on both my British and Canadian income?

You are not taxable in Canada on the amount you receive from the British Government on account of your husband, we understand. If your Canadian income exceeds $660 a year you will be liable to tax on it. You will be required to make an income tax return by April 30, 1944.

Income Under $660

My son, who is 17 years of age, works sometimes after school and on Saturdays for a chain grocery firm. They deduct income tax from each pay he receives. His total earnings for the year will be less than $660 a year. Is the firm justified in deducting income tax from him as he is not really taxable? How and when can the matter be adjusted?

The firm employing your son has no alternative under the income tax regulations but to deduct tax from him for each day he works, if the daily rate would be equivalent to a yearly income of over $660. If his total income is not of really taxable proportions he can claim a refund when he makes his income tax return on or before March 31, 1943.

Investment Income $2700

My income in 1942 was over $2,700, derived entirely from investments. How do I stand as regards income tax for that year?

You are liable for surtax of 4% on your investment income over $1,500 and the statutory exemption of $660 combined. Accordingly you should asses your normal and graduated tax in the usual way. Then add 4% of $2,700 less $2,160. Because your investment income is less than $3,000 a year, you are forgiven half your 1942 tax, the same as if it were all earned income.

INVESTMENTS

Western Can. Flour

I have been told Western Canada Flour Mills plans to redeem its preferred shares at 110. Can you obtain any confirmation of this and account for the appreciation in price of this stock?

There have been various rumors regarding the position of the preferred shares of Western Canada Flour Mills Ltd. for the last year. During this period the stock has appreciated in price from about $18 to the current level of around $85 with a rise in price of the common stock from $1 to $6 a share.

It hardly appears that this appreciation is justified by a change in earnings position of the company although officials tell The Post that the current year's earnings will likely be as good or perhaps a little better than they were last year when about $9 a share was earned on the preferred. Flour mills have been very busy for some time past.

We are unable to confirm the report that an offer of $110 a share would be made for this preferred stock and are told by company officials that there is little likelihood of an immediate plan for capital changes coming in the near future. At the same time it is admitted that there has been a good deal of discussion among directors of various possible plans of reorganization to settle preferred arrears.

Brazilian Traction

I notice Brazilian Traction shares quoted at higher prices recently. Can you account for this?

Brazilian Traction common shares have recently sold at higher levels than have been seen in a considerable period. This apparently reflects the payment of a 75c. dividend, which compares with 60c. paid at the last previous declaration, and generally improved operating conditions in Brazil. Recent settlement of a tax question for less than full amount claimed by Brazil probably helped.

Although the annual report for 1942 is not yet available, interim figures from monthly earnings, suggest a good increase in profits. Net earnings, before taxes, were about 8% higher than in 1941. In 1941 the company earned $1.87 a share on its ordinary stock. To date this year gains in monthly earnings have continued with the first quarter this year showing a gain of 14.65% over the corresponding period for 1942.

This company's chief difficulty has been a shortage of foreign exchange with which to transmit earnings out of Brazil. Its operating subsidiaries have shown continually higher demands on their services, a trend which appears to be continuing.

Canadian Vickers

Please let us have some information on the first mortgage bonds of Canadian Vickers Ltd.

Since the outbreak of war, there has been a marked improvement in the earning power of the company, and interest charges are being covered by a comfortable margin. This condition should continue for the duration, but the problem, in appraising the merits of the first mortgage bonds, is whether the company will be able to place adequate earnings behind the bonds in the after war period. Along these lines, one thing to remember is that as a result of war work, the company has made vast improvements in its plants, so that it should be in a better position to compete for postwar business. Control of this company recently changed and it is said the new interests plan to pay remaining interest arrears later this year and possibly to make proposals for settling arrears of preferred dividends.

Industrial Acceptance

As subscribers of The Financial Post, we would like to avail ourselves of your investment enquiry service for an opinion on the notes of Industrial Acceptance Corp.

Industrial Acceptance 4% convertible notes represent an interesting issue. The restriction on installment purchases and the limitation of automobiles and other types of durable goods available for consumer consumption has had the effect of reducing the volume of business available. On the other hand, Industrial Acceptance has branched out into the personal loan and factoring business, with encouraging results. The indications are that the company will be able to maintain earnings on a basis sufficient to pay interest on the notes. The long-term outlook continues favorable as after the war there should be a substantial pick-up in the volume of business available to Industrial Acceptance.

DISTILLING ADVISER

John MacLean of the House of Seagram, Montreal, has been appointed chairman of the Distilling Industry Advisory Committee to David Sim. Administrator of Alcoholic Beverages in the Wartime Prices and Trade Board.

New Wartime Regulations

CIVILIAN SHOE REPAIRS. WPTB order A-717, May 10, prohibits the use of full leather soles in civilian shoe repairs. Amn. of Hides and Leather S. C. Cook.

* * *

FROZEN EGGS. WPTB order A-727, May 13, amplifies the provisions of order A-659, regarding maximum prices for frozen eggs. Foods Adm. K. W. Taylor.

* * *

BARBED WIRE. WPTB order A-731, May 15, revokes previous barbed wire orders to allow manufacture of barbed wire in certain specifications. Amn. of Fabricated Steel and Non-ferrous Metals H. H. Foreman.

* * *

ATLANTIC SALMON. WPTB order A-732, May 18, sets maximum prices for fresh and frozen Atlantic salmon. Adm. of Fish and Fish Products, A. N. McLean.

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Automatic Screw Machine Hours AVAILABLE

Advertiser has the following number of machine hours on automatic screw machines for sale during the last 6 months of 1943.

Browne & Sharpe	No. 0	48,500 hours
	No. 00	58,200 hours
	No. 2	11,900 hours
Cleveland	7/8"	5,100 hours
	2"	16,200 hours

(SUBJECT TO PRIOR SALE)

Those interested should communicate with Advertiser through Box 38, The Financial Post, Toronto, when further information will be made available.

Investment Notes

Bell Telephone Co. of Canada has issued 707 shares of capital stock, under the terms of the employee stock offering plan, bringing the number of issued shares to 846,398.

* * *

Algoma Central & Hudson Bay Railway gross traffic revenue in Feb., 1943, were $248,197, a gain of $25,192 over the same month of 1942. The first two months this year showed gross receipts of $511,970, up $44,823 from last year.

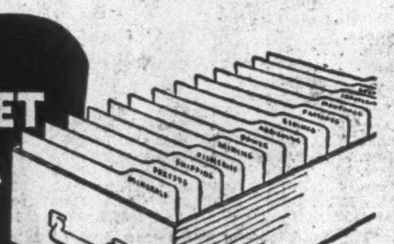
* * *

Wine Producers Association members have elected the following officers and directors for the ensuing year: E. A. Thomas, T. G. Bright & Co., president; J. L. Kingsborough, London Winery Ltd., vice-president; R. T. Galvin, Jordan Wine Co., secretary; Sam Torno, Danforth Wine Co., T. L. McCombs, Old Battlefield Wine Co., and O. R. Castrucci, Bordeaux Wines Ltd., directors.

* * *

McColl-Frontenac Oil Co. has taken up oil land reservations totalling 600,000 acres in the southeastern corner of Alberta. The reservations are on Crown lands, just east of the town of Foremost. The seismic survey party and the gravimeter crew being brought in by McColl-Frontenac at the end of this month will go to work on these reservations.

Here's a FILING CABINET ON CANADA FOR YOU!



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Canadian Pacific

Company Reports

E. L. Ruddy

E. L. Ruddy Co.'s statement for 1942 reflects adverse effects of wartime restrictions on manufacture of Neon signs, effective May 31, 1942, and prohibition of sign lighting effective Sept. 30 last. As long as present conditions prevail, revenues will decline and for 1943 drop in income will be substantial, states J. R. Robertson, president.

Balance sheet shows further reduction in funded debt which now stands at $413,500 compared with $448,500 a year ago.

Income, Surplus—Years Ended Dec. 31

	1942	1941
Operating profit	$62,113	$173,919
Add: Other income, net	27,723	24,095
Total earnings	89,836	198,014
Less: Depreciation	47,040	94,157
Interest	27,748	30,929
Income & E. P. taxes	......	72,918
Net profit	nil	nil
Add: Prev. surplus	123,536	117,556
Net adjustments	4,437	5,980
Earned surplus forw'd	127,973	123,536
Working capital	$304,568	$283,808

George Weston

Net profits equivalent to 30 cents a share on its common stock are reported by George Weston Ltd. for the three months ended March 31, 1943, compared with 21 cents a share for the corresponding quarter of 1942.

Income Account, 3 Mos. Ended March 31

	1943	1942
Net oper. profit	$656,567	$254,738
Less: Depreciation	81,146	76,340
Income & E.P. taxes	431,567	71,360
Net profit	143,854	107,038
Less: Pref. dividends	22,528	22,528
Avail. for common	121,326	84,510

Inter. Paper

Shrinkage in gross dollar volume of business is reflected in the statement of International Paper Co. for the first three months of 1942. Dollar income during the period was $52.2 millions, as against $62 millions a year ago. After senior charges net income available for dividends totalled just under $1.6 millions, as against around $2.5 millions in 1942.

Cons. Profit and Loss Account (3 months ended March 31)

	1943	1942
Gross income	$52,122,494	$62,013,848
Less: Oper. exps.	42,248,515	44,115,645
Bond interest	655,992	701,551
Other interest	2,785	3,317
Debt discount	55,442	61,907
Depreciation	2,881,692	2,555,851
Depletion	239,274	210,198
Sub. dividend	1,712	1,734
Tax provision	4,457,504	11,893,750
Net income	1,579,577	2,469,895
Add: E. P. tax ref.	329,449	......
Sub. loss	114,092	......
Net profit	2,023,118	2,469,895

Canada Machinery

Volume of agency business was affected in the year ended Jan. 31, 1943, by inability to get delivery of machines from United States and English manufacturers reports C. H. Easson, president of Canada Machinery Corp. Result is lower gross and net profits.

Volume of machine tools produced in the company's own plant was at a satisfactory level but from present indications it cannot be expected that current high volume can be maintained. It is hoped any loss of volume in domestic markets can be made up by foreign demand and efforts are being made to secure this business.

Production of Sandilands Valve Manufacturing Co. has been at capacity of the increased facilities. Present volume of orders on this subsidiary's books are larger than ever. It has been arranged to operate this valve business as a division of the parent company rather than as a subsidiary company.

Among assets is shown $45,000 as investment and $58,567 as advances to Synthetic Resins Ltd. Delays in obtaining machinery and difficulties in getting certain raw materials kept this company in the experimental stage and prevented it attaining commercial production on plastics.

Consol. Income and Surplus Account Years Ended Jan. 31

	1943	1942
Operating profit	$535,646	$621,094
Less: Exec. & legal	24,837	25,271
Directors' fees	3,150	3,100
Depreciation	135,156	94,033
Interest	32,500	33,700
Income & E. P. taxes	*243,637	280,333
Debt disc. amortiz.	4,214	4,214
Net profit	92,151	180,443
Less: Pref. divds.	203	357
Common divds.	26,000	24,000
Surplus for year	65,948	156,086
Add: Prev. surplus	348,017	187,739
Profit on assets	17,820	5,447
Refundable E.P.T.	26,218	......
Less: Addit. inc. tax	21,000	985
Bond prem. w/o	......	270
Earned surplus forw'd	437,003	348,017

*Includes $26,218 refundable E.P.T.

	1943	1942
Earned per share:		
Common	$3.53	$7.50
Paid	1.00	1.00
Working capital	$351,698	$437,462
Balance Sheet Changes		
Cash	$50,397	$210,586
Invests., Dom. bonds	......	49,750
Invest. & advs. to subs.	103,567	......
Inventories	519,849	473,964
Bank loans	68,143	......
Funded debt	290,000	320,000

Dosco

Dominion Steel & Coal Corp. reports a substantially larger profit in 1942 than in 1941, but a sharp increase in depreciation reserve, reduced net profits to just over $1 millions, or 98 cents a share on the "B" stock, as against nearly $1.2 millions, or $1.12 a share the year before.

The balance sheet reflects a number of interesting changes. Working capital advanced over $2.2 millions. Inventories, accounts receivable, cash, were higher, while a reserve of $1.5 million has been set up for replacement of property lost by enemy action. Bank loans were substantially higher, while deferred payments on properties acquired also showed a sharp increase.

All plants of the corporation and its subsidiary companies, with the exception of the Wabana Mine, operated at full capacity during the year. The Wabana Mines operated at 70%. The additional open hearth furnace went into operation a year ago. A new blast furnace, says Arthur Cross, president, will come into operation shortly. As compared with 1939, the ingot capacity has been increased from 476,000 net tons to 715,000 net tons.

Mr. Cross also reports the opening up of new iron ore mines and limestone in New Brunswick and Nova Scotia and the purchase of an 83% interest in Canadian Tube and Steel.

Dominion Coal

Operations of Dominion Coal Co. in 1942 resulted in a profit of $469,618 after providing $1¼ million for depreciation and after tax provision. This contrasts with a loss in the preceding year of $566,125 before providing for depreciation.

Sales of coal last year amounted to 4,597,963 tons, compared with 4,665,126 tons in the preceding year. During the year 4,486,234 tons were mined from the collieries of the company, or 18% below capacity.

Capital liabilities were reduced during 1942 through redemption of $500,000 of the first mortgage serial bonds; Dominion rolling stock equipment bonds of $212,000 and preferred stock by $49,875.

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THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING MAY 24

[illegible]

Mining Stocks

Week Ending May 24

[illegible]

Oil Stocks

Range 1943 High	Low	Div. Rate $	Yield %	Company	Sales	Last May 17	High	Low	Close
[illegible]									
.70	.38	.....	....	Okalta	6,500	.61	.70	.60½	.70
.09	.04½	.....	....	Pacalta	22,400	.06	.06½	.06	.06
.41	.20	.....	....	Pac. Pete.	1,500	.41	.41	.38	.39
26.00	21.00	1	4.2	Royalite	249	24.00	23.50	22.00	22.00
.07	.03½	.....	....	South End	38,200	.05½	.06½	.05½	.05½
.32	.20	.....	....	So. West Pete	200	.30	.30	.30	.30
1.94	.75	.....	....	Texas Can.	100	1.90	1.90	1.90	1.90
.09½	.04½	.....	....	United Oils	2,200	.08	.07½	.06½	.06½
.09½	.06	.....	....	Vanalta	1,000	.08	.07½	.07½	.07½
.20	.09½	.....	....	Vermilata	72,600	.17	.20	.16½	.19
.36	.18	.....	....	Vulcan	2,000	.24	.25	.23	.25

* Yield including bonus. ▾ Paid in 1942. x Initial. †Interim paid in 1943.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
May 25	15,200	9,400	199,000	......
May 24	Holiday			
May 22	11,900	4,000	218,000	7,600
May 21	18,100	5,000	263,000	3,390
May 20	16,000	4,000	293,000	16,420
May 19	23,600	22,900	273,000	20,650

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

[illegible]

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

May 25, 1943

[illegible]

Unlisted Mines

Toronto, May 25, 1943

Company	Bid	Ask	Company	Bid	Ask	Company	Bid	Ask	Company	Bid	Ask
[illegible]											
Athona	.03	..	Laguerre	.09	.10	North Tin	.11½	.13	Stadacona	.11	..
Bayshore	.24½	.27	Lk Geneva	.06	.08	Oklend	.03	.04	Tombill	.09	.10
Bar Lard	.04½	.05½	Largold	.22	.25	O'L Malar	.04	.05	Tom Iron	.63	.68
Brengold	..	.01½	Magn Con	.28	.32	Opemiska	.07	.09	Thoms L	.10	.12
Brock	.06	.08	Metalore	.25	.28	Orpit	.03½	.04½	Union Min	.06½	.07½
Clift Con	.44	.48	Mid Iron	.45	.50	Pascalis	.21	.23	Uchi	.01	.02
Can Rad	.03½	..	Majormic	.51½	.55	Pelangio	.10	.12	Wesley	.02	.02½
Cen Mani	.02½	.03	Mar Bird	.06	.07	Pontiac R (old)	.10	.12	Y Davids	.22	.24
Cheminis	.04½	.06	Mata Con	.13	.16	Pt Coldw	.31	.35	Vic Ore	.30	.34
Columbier	.24	.26	Banca	.41	.43	Propriet	5.50	5.75	Elec Por	.11	.13
Con Chib	.05	.06½	Calder Bo	.06	.07				Ivan Lard	.13	.16
Dona Pat	.01½	.02½	Conti Tin	.15	.17						

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Mill-ing	Oils	Textiles and cloth-ing	Food and allied prod.	Bever-ages	Bldg. mater.	Power and trac-tion	Banks	Total utili-ties	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
(Base 1935-39=100)												
*1935 to date:												
High	134.5	234.4	149.7	123.7	135.7	118.3	128.3	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1943: Monthly Figures:												
Jan.	90.3	75.3	82.4	62.9	114.3	88.2	109.7	84.0	88.5	76.7	90.0	76.3
Feb.	94.0	75.8	88.3	67.2	117.4	88.1	111.8	85.0	88.0	78.6	88.0	78.7
Mar.	96.7	77.1	89.5	65.6	118.1	81.6	113.9	85.3	88.6	80.2	92.1	79.1
1943: Weekly Figures:												
Apr. 1	99.5	78.2	89.0	69.1	119.1	84.1	122.3	87.4	92.5	80.8	96.9	74.3
Apr. 8	101.3	79.4	90.1	68.8	121.6	85.5	127.7	88.5	92.5	80.7	99.7	82.9
Apr. 15	101.0	78.2	95.2	67.7	120.9	86.9	127.3	91.2	97.0	80.9	102.0	82.5
Apr. 22	101.5	78.4	94.9	68.2	120.9	88.9	129.1	89.4	98.1	81.0	103.0	83.2
Apr. 29	99.2	82.4	92.9	65.9	120.6	88.2	128.8	88.8	95.5	80.9	100.7	81.8
May 6	101.7	89.2	91.5	67.9	119.2	89.8	129.6	91.8	98.3	80.5	105.4	83.9
May 13	101.6	85.9	89.8	66.6	119.6	89.1	125.8	90.0	99.6	80.1	105.1	82.8
May 20	103.2	87.6	90.9	67.7	119.0	88.8	125.8	90.5	100.2	80.5	105.1	83.0

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
May 25	115.02	81.40	72.39	23.39
May 24	Holiday			
May 22	115.11	81.59	72.51	23.50
May 21	114.45	81.98	72.21	23.48
May 20	114.76	82.53	72.93	23.50
May 19	114.64	82.51	72.84	23.52
Month ago	112.53	82.54	73.32	23.01
Year ago	83.89	66.71	63.31	16.10
High 1943	115.11	87.04	73.98	23.91
Low 1943	98.88	70.64	63.57	23.91

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
May 25	57.9	75.3	69.5	96.33	59.97
May 24	Holiday				
May 22	58.1	75.3	69.6	95.98	60.23
May 21	58.1	75.0	69.4	96.29	60.23
May 20	58.1	75.0	69.4	95.77	60.14
May 19	58.2	74.9	69.3	95.34	60.36
Month ago	57.4	74.9	69.1	87.65	62.80
Year ago	40.5	56.1	50.9	55.68	41.74
High 1943	58.4	75.3	69.6	99.17	66.68
Low 1943	51.8	63.4	59.5	74.07	49.15

OIL ROYALTIES

Producing Wells — Prices and Payments

	Mar. 15 daily quota bbls.‡	Feb. daily quota bbls.‡	Jan. pay. 1% $	Feb. pay. 1% $	Mar. pay. 1% $	Total to Mar. 31 1% $	Offering price* per 1% $
Ace No. 1 gross	385	465	169.70	166.41	169.40	4,699.44	....
Alta. Oil Inc. No. 1 gr.	65	88	33.20	27.60	37.20	3,710.00	1,300
Do., No. 1 net	65	88	26.00	21.60	29.20	4,169.60	900
Do., No. 2 gr.	380	380	168.00	152.00	140.00	4,850.00	....
Do., No. 2 net	380	380	118.40	107.20	97.20	6,374.20	....
Allied No. 1 pfd.	93	93	37.31	32.50	41.36	1,639.06	1,500
Arrow No. 1 net	135	135	34.00	42.00	39.00	922.15	1,300
Do., No. 2 net	170	170	55.00	54.00	52.00	1,721.20	1,800
Atlas-Br. D. No. 2 pfd.	450	490	223.20	223.20	....	......	5,500
Bonaventure, pfd.	...	...	....	....	....	......	1,900
Do., gross	...	...	....	....	....	......	3,800
Do., No. 3 pfd.	430	500	....	....	....	......	5,300
East Crest No. 5	115	125	56.80	46.40	52.50	540.40	1,800
Independent No. 1 p.	200	200	97.02	88.17	94.57	......	2,900
Do., No. 1 gr.	200	200	82.40	74.67	81.88	2,438.13	....
Major Oil No. 1 pfd.	95	104	47.60	48.40	45.20	844.40	1,300
Do., No. 1 gr.	95	104	50.40	49.20	51.20	1,757.80	1,400
Do., No. 2 net	350	450	155.20	120.00	108.00	5,046.80	....
Do., No. 2 gr.	350	450	218.40	178.00	150.80	6,600.00	....
Do., No. 3 net	588	733	250.60	215.20	214.40	6,936.00	6,900
Do., No. 3 gr.	588	733	354.80	292.80	291.20	......	9,000
Do., No. 4 net	125	125	....	49.20	....	......	....
Do., No. 4 gr.	125	125	81.60	55.20	....	......	....
Do., No. 7 pfd.	500	500	271.20	226.80	227.60	1,512.40	6,800
Do., No. 7 dfd.	500	500	....	....	....	......	3,600
Do., No. 7 gr	500	500	248.00	202.40	213.20	2,166.40	....
Do. No. 8 pfd.	225	315	132.00	98.80	116.00	642.00	3,100
Do., No. 8 gr.	225	315	118.80	91.20	104.80	1,106.00	....
Do., No. 8 dfd.	225	315	....	....	....	......	1,300
Do., No. 9 gr	320	350	147.60	134.00	129.60	1,377.40	....
Do., No. 9 pfd.	320	350	72.40	159.60	143.60	375.60	5,000
Do., No. 9 dfd.	320	350	....	....	....	......	1,500
Miracle No. 1 net	300	353	122.91	90.12	107.96	5,121.62	3,200
Do., No. 1 gr.	300	355	167.08	129.20	148.61	5,253.23	5,300
Do., No. 2 pfd.	200	220	....	91.16	87.04	......	2,800
Do., No. 2 gr.	200	220	62.80	82.80	75.88	1,201.58	....
Miracle No. 3, pfd.	...	...	....	....	....	......	3,800
Do., No. 3 gr.	...	...	....	....	....	......	6,300
National Vulcan	...	...	....	....	....	......	4,400

*Approximately 25% over dealers' bid prices.
‡Approximate.

STOCKS NOT TRADED THIS WEEK

[illegible]

Oil Stocks

Company	Div. rate	Last sale	May 24 Bid	May 24 Ask
[illegible]				
Mill City	†.03	.06	.06	..
Nordon	...	.04	..	.07
Petrol Oil & Gas	...	.25	..	..
Royal Canadian	...	.04	.03½	.04½
Royal Crest	...	.01	..	..
Spooner	...	.08	.07	.08
Sunset	†.01½	.08	.08	..

♦Paid in 1942. †Interim paid in 1943.

Supplementary Stock Quotations

(Furnished by Plaxton, McDonnell & Co., Toronto)

May 25, 1943

Miscellaneous Stocks:	Bid	Ask
Allens Lond. Thea., pfd.	53½	..
Atlas Steels, 7% 2nd pf.	106	108
Brantford Roofing, c.	2½	..
Can. Co-op. Wool.	9	..
Can. Fairbanks, com.	19	..
*Can. Gen. Rubber, pfd.	..	21½
Can. Paving 1st pfd.	1½	..
Can. West. Lumber c.	.20	.35
Cawthra Apts. pfd.	3	4
Claude Neon 7% pfd.	4	..
Commer. Life 10% pd.	6½	..
Copland Brewing	.90	..
Dubuisson Gold	.15	.17
†Easy Wash. 7% pref.	9½	10½
Fed. Fdries & Steel c.	.20	.35
†Ft. Wm. Hotel units	..	45½
Franco Oils	.27½	.32
Highland Dairy, c.	1	..
Insce. Exch. Bldg. c.	1½	1½
Medical Arts com.	78	..
Milton Brick, com.	.10	..
Monarch Mtge. units	1	..
Nat. Hosiery com.	1	..
Do., pfd.	1	..
†Nor. Amer. Elev. 1st pf.	83½	..
*Do., 2nd pref.	27	..
Do., com.	..	1
Nor. Telephone, c.	1½	..
Numaque Mining	.04c	..
Que. Pulp & Paper pfd.	22½	24
Ritchie Cut Stone pfd.	1	..
P. L. Robertson Mfg. c.	19	..
Do., $2.50 pfd.	42½	44½
St. John Dryd. 5½% pf.	96½	99½
Sincennes McN. com.	2	..
Supertest Pete. 6% pf.	26	28½
Tip Top Tailors Inc. un.	5½	7½
Un. Farmers Co-op.	3½	4
Waterloo Mfg.	7½	8½
Windsor Hotel, com.	2½	3½

*Issue carries arrears.
†Currently paying on arrears.

Mining Stocks

[illegible]

Commodities

	Latest week	Pre-vious week	Same week last yr.
Cattle	$11.84	$11.71	$11.25
Hogs	16.77	16.81	15.25
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2194	.2173	.2072
Sugar, raw, lb.	*.0374	.0374	.0374
Wheat, Man. (bu.)	.98⅜	.98¼	.79¼
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	103.8	103.7	98.5
Dow Jones (fut.)	91.25	90.88	86.46
Wood, Gundy	80.2	80.3	77.1
Fishers	111.8	111.8	106.3
Monthly Indices			
Canada (D.B.S.):			
Retail (Apr.)	117.6	117.2	115.9
W'sale (Mar.)	98.5	97.5	95.0
U. S. (Feb.)	102.5	101.9	96.7
Gt. Brit. (Feb.)	161.7	161.9	158.5

Note:—The base of indices is that 1926 equals 100 †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic, New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

*Ceiling prices fixed by the office of Price Administration.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

May 25, 1943

	Int. Rate %	Due	Bid May 25	Ask.	Bid May 18
[illegible]					

Supplementary Bond Quotations

(Supplied by Plaxton, McDonnell & Co., Toronto)

Month-end close and changes from Previous Month-end

May 25, 1943

Miscel. Corp.	Bid	Ask.	Chge.
‡Adel.-Peter, 6½%/48	42	45	..
*Adel.-Sheppard, 7%/48.	25	28½	..
Albert Bay 5%/50	60	64½	..
[illegible]			
*St. Cath. Stanley, 5%/57	60½	64	+½
Staveley Apts., 2½%/49.	62	..	..
‡Stk. Exch. Bldg., Vanc., 6%/44	44½	..	+½
Township Sandwich W.	26	29	−½
‡Trinity Bldg., 4%/52	10	12½	..
Vanc. Georg. H. 6%/47	89	..	+1
‡Wel'nton Bldg., 6½% ser.	61	65	+1
Wind. Court Apt. 3%/56	45½	48½	+½
York St. Bldg., 6%/43	88	93	..

*Issue carries arrears of interest.
‡Currently paying on interest arrears.

Annual Meetings

1943	Company	Place
May 28	Lord Nelson Hotel	Halifax
May 28	Nipissing Mines	Toronto
May 29	Queenston Gold	Toronto
May 31	Inter City Baking	Montreal
May 31	Negus Mines	Toronto
May 31	Tuckett Tobacco	Hamilton
May 31	Ventures	Toronto
May 31	Wright-Hargreaves	Toronto
June 7	Tip Top Tailors	Toronto
June 10	Dominion Coal	Montreal
June 10	Dominion St. & Coal	Montreal
June 15	McIntyre-Porc. Mines	Toronto
June 15	Western Grain*	Winnipeg
June 16	Sylvanite Gold	Kirkland Lake
June 21	T. G. Bright	Niagara Falls
July 14	Ritz-Carlton Hotel*	Montreal

*Bondholders.

Municipal Bonds

May 25, 1943

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	116.00	119.00	3.56
Hamilton	5	1950	110.00	113.00	2.95
Montreal	5	1945	96.00	99.00	*
Ottawa	4½	1945	104.00	105.50	2.07
†Quebec	5	1959	113.75	116.75	3.62
Saint John	5	1950	105.00	108.00	3.83
†Toronto	4½	1955	119.00	122.00	2.35
†Vancouver	5	1970	108.00	111.00	4.31
Winnipeg	5	1944	100.00	102.25	1.96

†Payable Can. & N. Y. *Flat.

Bond Tenders

12 noon, May 27, Canada Treasury Bills—$55,000,000, dated May 28, payable Sept. 3, 1943.

Corporation Bonds (Cont'd)

Silv. Dairies	6	'66	98	101	97
Simpsons, Ltd.	4½	'51	102½	105	102½
Smith, Howard.	4½	'51	102½	104½	102½
Stand. Lime	6	'44	99	..	99
Sterling Coal	6	'45	99	..	99
Stop Shop	3	'47	75	..	75
United Amuse.	5	'56	101½	..	101½
United Corp.	5	'53	97	100	97
*United Gas	5½	'48	106	..	106
†Western Grain	6	'49	89	93	90

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
•Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Drilling Wells

Well:	Drilling depth ft.	Offering price per 1%
Maryland Pete. pfd.	8,723	*$4,375
Major Oil No. 6, pfd.	8,022	4,000
Major Oil No. 6 gr.	8,022	6,400
Empire pfd. (Ont.)†	....	*1,000
Phillips Kinsella†	....	$2,100

*Pegged price. †Acreage royalty.

Leitch Gold Mines realized a profit of $70,012, equal to 2.5 cents a share, the three months ended Mar. 31, 1943, compared with $84,356 or three cents a share the preceding quarter. Value of production was $235,893 in the first quarter against $250,850 the last quarter of 1942.

Investment Trusts

	Bid	Asked
Affiliated Funds	3.18	3.48
Can. Int. Trust	4.30	5.25
Can. Invest. Fund	3.65	4.00
Can. Investors	5.00	...
Corp. Investors	6.00	6.45
Trans-Canada	10.50	11.50

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Un. Gr. Gr. (C)	4½%	1949	July 2	102
Do., (A)	5%	1948	July 2	101
Shawinigan W.	*4%	1961	Oct. 1	103
Mtl. L.H.Pr.†	3½%	1956	June 1	102½
Windsor Arms	6½%	1947	June 1	102
Nan-Dun. Utl. A	5½%	1964	July 2	104
Gatineau Pr.	‡3%	1949	June 2	101

*$2,224,000. †$174,000. ‡$3,150,000.

Stock Issues:				
Assoc. Brew.	♦7%	Pref.	May 29	110

♦500 shs.

Dividends Declared

	This payment $	Date payable	Date of record
Agnew Surpass, pf.	1.75	July 2	May 31
Aunor Gold	.04	June 1	May 7
Algoma Steel, pf.	2.50	July 1	June 1
Aluminium	2	July 5	May 14
Do., pref.	†1.50	June 1	May 7
Assoc. Brew.	.25	June 30	May 31
Do., pref.	1.75	July 1	May 31
Ang. Can. Tel. A	.15	June 1	May 10
Anglo Huronian	.10	July 22	June 15
Asbestos Corp.	.20	June 30	June 1
Do., bonus	.10	June 30	June 1
Amer. Cyan. A, B	.15	July 1	June 12
Bk. of Nova Scotia	2.50	July 1	June 15
Bank of Montreal	1.50	June 1	Apr. 30
Bank of Toronto	2.50	June 1	May 15
Bathurst Pr. & P., A	.25	June 1	Apr. 30
Belding Corticelli	1	July 1	May 31
Do., pref.	1.75	July 1	May 31
Berens River Mines	*.03	June 10	May 7
Bk. Can. Nationale	1.50	June 1	May 15
Borden's	†.30	June 1	May 15
Barber Ellis	.12½	June 15	May 31
Beattie Gold	.04	June 30	May 12
Bright T. G., pfd.	1.50	June 15	May 31
Brazilian Ts.	.75	June 15	Apr. 27
Brazilian Tr., pfd.	1.50	July 2	June 15
Broulan Porc.	*.03	May 31	Apr. 30
Bruck S. Mills	■.10	June 15	May 14
Buff. Ankerite G.	.05	June 17	June 3
Burlington Steel	.15	July 2	June 10
Canada Cement, pfd.	1.25	June 21	May 28
Canada Bread	.10	July 1	June 10
Do., 1st pref.	1.50	July 1	June 10
Do. (B) pref.	.62½	July 1	June 10
Chartered Trust	1	July 1	June 15
Catelli Food, pref.	.38	May 31	May 22
Can. Perm. Mtge.	2	July 2	June 15
Can. Canners	.12½	July 1	June 15
Do., 1st pref.	.25+.05	July 1	June 15
Do., conv. pref.	.15+.05	July 1	June 15
Can. W. Nat. Gas	*1	June 1	May 26
Do., pref.	1.50	June 1	May 14
Carnation Co.	†1.00	July 1	June 19
Can. Dom. Sugar	.20	June 1	May 15
Can. Fd. & Fg. A	.37½	June 15	June 1
Canada Vinegars	.10	June 1	May 15
Canada Dry	†.15	June 9	May 26
Can. Wire & C. (A)	1.00	June 15	May 31
Do. (B)	.25	June 15	May 31
Do., pref.	1.62½	June 15	May 31
Can. Fairbanks, com.	.25	June 1	May 15
Can. Marconi	.04	June 1	Apr. 15
Corr. Paper Box, p.	1.75	June 1	May 17
Do., arrears	7	June 1	May 17
Can. For. Invest., pf.	■2	July 1	June 1
Canada Malting	.50	June 15	May 15
Can. Ind. Alcohol A B	.10	June 1	May 3
Can. for. Invest., pf.	■2	July 1	June 1
Can. Int. Inv. Tr., p.	.50	June 1	May 10
Can. Malartic Gold	.02	June 30	May 6
Can. Bakeries, pfd.	1.25	June 1	Apr. 30
Can. Nor. Power	■.15	July 26	June 19
Do., pref.	■1.75	July 15	June 19
Can. Breweries, pf.	.85	July 1	May 15
Can. Crushed Stone	.10	June 15	June 1
Can. Westinghouse	■.50	July 1	June 16
Cockshutt Plow	.25	June 1	May 15
Consumers Glass	.50	May 31	Apr. 30
Cochenour Willans.	.03	June 1	May 10
Crow's Nest Coal	■1.50	June 2	May 8
Command Oils	.03	June 7	May 15
Coniaurum Mines	.06	June 30	May 12
Cent. Pat. Gold	.03	June 30	May 31
Col. Steamships	2.50	June 12	May 25
Crown Trust	1	June 30	June 23
Deb. & Secs., pfd.	2.50	July 1	June 18
Delnite Mines	*.03	May 31	May 13
Distillers-Seag.	.55½	June 15	June 1
Do., pref.	†1.25	Aug. 2	July 15
Dom. Anglo Invest.	4	June 1	May 14
Do., pref.	1.25	June 1	May 14
Dome Mines	■.40	July 30	June 30
Dom. Textile	1.25	July 1	June 4
Do., pref.	1.75	July 15	June 15
Dom. Found. pfd.	1.50	June 1	May 10
Dom. Found., c.	.25+.10	July 2	June 10
Dom. Scot. Invest., p.	■1	June 1	Apr. 30
Dominion Stores	.10	June 19	May 24
East. Steel Prod.	.25	June 1	May 14
English Electric A	.25	June 15	May 31
Fleet Aircraft	■1.25	June 15	May 15
Falconbridge N.	.07½	June 30	May 4
Ford Motor, A, B	.25	June 19	May 29
Fanny Farmer	†.37½	July 1	June 10
Gt. West. Sadd. pf.	.75	July 6	June 5
Gatineau Pwr.	.15	June 30	June 1
Do., 5% pref.	1.25	July 1	June 1
Do., 5½% pref.	1.38	July 1	June 1
Granby Cons. M.	†■.15	June 1	May 14
Gt. Lks Pap. A, B, p.	.25	July 2	June 2
Grouped Inc. Shs.	.11	May 31	....
Hinde & Dauch	.25	July 1	June 5
Huron & E. Mtge.	1	July 1	June 15
Hard Rock Gold	.03	June 31	May 25
Hallnor Mines	.10	June 1	May 7
Hiram Walker	1	June 15	May 14
Do., pref.	.25	June 15	May 14
Home Oil	*■.15	June 15	May 10
Honey Dew	.50	July 1	June 15
Hudson Bay M.	1	June 28	May 28
Inter. Nickel, c.	■.50	June 30	June 1
Imperial Tob. ord.	.10	June 30	May 28
Imperial Varnish	.12½	June 1	May 20
Do., pref.	.37½	June 1	May 20
Imperial Oil	.25	June 1	May 17
Intern. Petroleum	.50	June 1	May 19
Invest. Found.	.75	July 15	June 15
Jam. Pub. Serv.	.17	July 2	May 21
Do., pref.	1.75	July 2	May 31
Lamaque G. M.	.10+.05	June 1	Apr. 30
Lang, J. A.	.17½	July 2	June 10
Langley's pref.	■.50	Jun. 11	Jun 3
Do.,	■.50	Sep. 11	Sep. 3
Do.	■.50	Dec. 11	Dec. 3
Loblaw Groc. Inc.	.25	June 1	May 14
Laura Secord	■.20	June 1	Apr. 30
Loblaw Groc., A, B	.25	June 1	Apr. 30
Do., extra	.12½	June 1	Apr. 30
Lake of W. Mill.	.30	June 1	May 3
Do., pref.	1.75	June 1	May 3
Lake Shore Mines	.20	June 15	May 15
Maritime Tel.	.17½	July 15	June 19
Do., pref.	.17½	July 15	June 19
Maclaren Pwr.	.25	May 31	May 15
McK. Red Lake G.	.03	June 17	June 1
Montreal Cottons	1	June 15	May 31
Do., pref.	1.75	June 15	May 31
Model Oils	.02	June 19	May 22
Montreal Loan	.31¼	June 15	May 31
Melchers Dist. pfd.	.30	June 30	May 31
Macassa Mines	.06	June 15	May 31
National Grocers	■.40	July 1	June 1
Do., pref.	.37½	July 1	June 1
Northwest Util., pf.	1.50	June 1	May 26
Nan-Dun. Util., p.	.81¼	June 1	May 15
Neilson, Wm., p.	1.75	May 31	May 17
Noranda Mines	1	June 15	May 14
N. S. Light & Pr., pf.	1.50	June 1	May 15
Nor. Ont. Pwr.	.12	July 26	June 30
Do., pref.	1.50	July 26	June 30
Ottawa L. H. & Pr.	.15	July 1	May 10
Do., pref.	1.25	July 1	May 10
Ogilvie Flour	.25	July 1	May 28
Do., pref.	1.75	June 1	Apr. 30
Ont. Steel Prod.	.25	Aug. 16	July 16
Do., pref.	1.75	Aug. 16	July 16
Ottawa El. Rly.	.50	July 1	June 1
Page Hersey	1.25	July 1	June 15
Perron Gold	■.02	June 30	May 31
Paton Mfg.	*1	June 15	May 31
Do., pref.	1.75	June 15	May 31
Pickle Crow	.05	June 30	May 31
Placer Devel.	.25	June 15	May 21
Prov. Bank	1.25	June 1	May 15
Pato Cons. G.	.15	May 31	May 12
Power Corp.	■.15	June 30	June 10
Do., pref.	■1.50	July 15	June 19
Do., 2nd pref.	■.75	July 15	June 19
Preston E. Dome	.05	July 15	June 15
Price Bros., pfd.	1.37½	July 1	May 31
Riverside Silk	.50	July 2	June 12
Rolland Paper, pf.	1.50	June 1	May 15
Regent Knit, pfd.	.40	June 1	May 1
Do.,	.40	Sept. 1	Aug. 2
Do.,	.40	Dec. 1	Nov. 2
Royal Bank	1.50	June 1	Apr. 30
Reno Gold	•.07	May 31	May 15
Reliance Grain, p.	1.62½	June 15	May 31
Royalite Oil	.50	June 1	May 15
Sec. Std. Royalties, p.	.01	June 1	May 14
Sigma Mines	■.30	July 28	June 28
Sherritt Gordon	.03	June 30	May 14
Sherwin-Wms. pf.	1.75	July 2	June 10
Simpsons Ltd.	▲2.00	June 15	May 15
Siscoe Gold	.01½	June 15	May 12
South Can. Pwr.	■.20	Aug. 16	July 20
Do., pref.	■1.50	July 15	June 19
Stuart, D. A., Oil, pf.	.20	June 1	May 15
Sylvanite Gold	.03	July 15	May 25
Stedman Bros.	.15	July 1	June 20
Do., pref.	.75	July 1	June 20
Securities Holding, p.	.75	June 30	June 16
Tip Top Tailors	.07½	July 1	June 1
Do., pref.	1.75	July 1	June 1
Teck-Hughes	■.10	June 1	Apr. 30
Tor. Elevators, pfd.	.66	June 7	May 17
Trans-Can. Shs.	.292	June 1	Coup. 20
Unit. Amuse.	.40	May 31	May 15
United Steel	§.10	June 1	May 15
Do., extra	.05	June 1	May 15
Upper Can. Mines	*.02½	May 29	May 15
Wabasso Cotton	1	July 1	June 1
Walkerville Brew.	■.05	June 20	June 15
Wr. Hargreaves	.07½	July 2	May 27
West. Can. Hydro, p.	.20	June 1	May 20
Do. (B)	.05	June 1	May 20
Waite Amulet	.15	June 10	May 10
Wilsil	.25	July 1	June 1
H. Walker-Good.	1	June 15	May 14
Do., pref.	.25	June 15	May 14

†N. Y. funds. ■Subject to approval of Foreign Exchange Control Board. ▲On arrears. *Interim. §Initial. •Capital distribution.

DIVIDEND NOTICES

Macassa Mines Limited
(No Personal Liability)
DIVIDEND NO. 32

Notice is hereby given that a dividend of six (6c) cents per share has been declared on the issued capital stock of the company for the quarter ending June 30th next, and will be payable on June 15th to shareholders of record May 31st, 1943.

By Order of the Board.

L. SOLIAGUE, Secretary.

Toronto, May 21st, 1943.

DIVIDEND NOTICES

The Ontario Loan & Debenture Company
224th DIVIDEND

Notice is hereby given that a Quarterly Dividend of $1.25 per share for the current quarter ending 30th June 1943 has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 2nd July 1943, to Shareholders of record at the close of business on the 15th June, 1943.

BY ORDER OF THE BOARD,

T. H. Main, Manager.

London, Ontario, 25th May, 1943.

Dominion Textile Co. Limited
Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th June, 1943, payable 1st July, 1943, to shareholders of record 4th June, 1943.

By order of the Board,

L. P. WEBSTER, Secretary.

Montreal, May 19th, 1943.

Dominion Textile Co. Limited
Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarter per cent (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th June, 1943, payable 15th July, 1943, to shareholders of record 15th June, 1943.

By order of the Board,

L. P. WEBSTER, Secretary.

Montreal, May 19th, 1943.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

FRIDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June, 1943.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, May 19th, 1943.

MacKinnon Structural Steel Co. Limited
DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of one and one-quarter (1¼%) per cent. has been declared on the 5% Cumulative Sinking Fund Redeemable Preferred Stock of MacKinnon Structural Steel Co. Limited, payable June 15th, 1943, to shareholders of record May 31st, 1943.

By Order of the Board of Directors.

J. G. SCORER, Secretary.

Montreal, May 21, 1943.

Preston East Dome Mines, Limited
(No Personal Liability)
DIVIDEND NO. 15

NOTICE is hereby given that the regular quarterly dividend of five cents per share has been declared on the issued Capital Stock of the Company, payable in Canadian funds, July 15th, 1943, to shareholders of record at the close of business on the 15th day of June, 1943.

By Order of the Board.

L. I. HALL, Secretary.

Toronto, May 20th, 1943.

POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared this day the following dividends.

No par value Common Stock

No. 24, Interim, 15c per share. Payable June 30th, 1943, to holders of record at the close of business June 10th, 1943.

6% First Cumulative Preferred Stock

No. 72, quarterly, $1.50 per share.

6% Non-Cumulative participating Preferred Stock (Par Value $50)

No. 64, quarterly, 75c. per share. Payable July 15th, 1943, to holders of record at the close of business June 19th, 1943.

L. C. HASKELL, F.C.I.S., Secretary.

Montreal, April 30th, 1943.

NOTICE
Western Grain Company Limited

A meeting of the holders of First Mortgage Series "A" Bonds, Western Grain Company Limited, has been called for June 15th, 1943, at the Office of the Trustee, Montreal Trust Company, Winnipeg.

Forms giving details of the Plan of Reorganization and forms for depositing of bearer bonds and appointment of proxy and registered bond proxy are available at the offices of Montreal Trust Company in the cities of Montreal, Toronto, Winnipeg, Edmonton, Vancouver, Halifax and St. John's, Newfoundland.

Bondholders are urgently requested to arrange for the deposit of their bonds at once to save the expense of and delays occasioned by an adjourned meeting.

Western Grain Company Limited

Acreage Lower This Year?
Expect Three Million Acre Drop in Wheat

From Our Own Correspondent

WINNIPEG. — With cool, wet weather following seeding of the bulk of the western wheat crop, western wheat is away to a good start and, on the acreage actually seeded, most farmers are hoping for good returns. Weather conditions have prevented many farmers from carrying out, to the full extent, their plans for wheat seeding and it is likely that the reduction in acreage will be considerably more than was indicated by government figures of intentions to plant aproximately 17 million acres as against the 20 million acres in wheat last year. It will not be surprising if the wheat acreage is found to have fallen to 16 million or perhaps slightly less. Under marketing and delivery conditions of other years it is probable that a good deal of complaint would have been heard about inability to get a full wheat seeding program completed in satisfactory time, and many farmers might have followed the risky course of continuing to put in wheat up to the first of June.

This year, most farmers whose seeding has been delayed will simply decide to increase their acreages in oats and barley even beyond the increases they had previously planned, as there is plenty of time yet to put in these grains. Most farmers will be carrying over considerable quantities of wheat from the crop of 1942 and can be reasonably sure of having all the wheat that it will be possible to dispose of during the new crop year. They will hope that delivery conditions will be such as to enable them to sell whatever surpluses they may have of coarse grains, but, if not, the accumulation of reserves of feed grains will be considered as better than having the farm-stored surplus exclusively in the form of wheat.

In some parts of western Canada farmers' delivery quotas for wheat have been restricted by congestion of elevator space to 12 bushels per acre before the end of July, which quota has already been made at a considerable number of points, and which it is hoped will apply throughout the West before the end of the crop year. Observers are assuming that the Canadian Wheat Board, in order to make good on the government's undertaking to allow farmers to deliver 280 million bushels of wheat during the current crop year, may have to put some restrictions on the loading of oats and barley. Recently there has been a tendency to give some preference to the movement of the seed grains, in order to take full advantage of the demand for them from the United States. With respect to oats and barley, the government undertaking is less explicit than with respect to wheat, although the guarantee of a basic price of 60 cents a bushel for barley and 45 cents a bushel for oats has been generally taken to mean that it applies to the total quantity of such grains a farmer might have to sell. Actually, at the present time, the demand from south of the border is for greater quantities than can currently be delivered on account of the scarcity of transportation.

Except for the scarcity of railway cars there would be a tendency to blame the system of equalization fees which applies to the export of oats for a tendency to limit the business being done with the United States.

Export Basis Modified

The basis first applied in this connection was a flat fee of 6 cents a bushel for permits to export. This has been modified to 5½ cents per bushel for oats shipped from the Head of the Lakes, and 3 cents per bushel for oats shipped all rail through Minneapolis. Complications in freight rate structures made it impracticable to maintain a flat fee, but, even although the equalization fee system has caused a certain amount of apprehension among those engaged in moving the grain, business seems to be done at present to the full extent of transportation facilities available.

All reports from south of the line indicate a continuing demand from the United States for feed grains produced in Canada. In fact, doubts are spreading as to the ability of farmers there, even with the full extent of imports practicable from Canada, to maintain the level of livestock population which has been reached. Farmers there are as anxious for more feed grain as western Canadian farmers are to dispose of it, and only the transportation difficulty stands in the way. Farmers in the United States, accustomed to buy feed grain, cannot buy their usual supplies of corn because of the reluctance of producers to part with it. Until recently that has been due to the feeling of producers that they could more profitably feed than sell their grain. Now it is aggravated by uneasiness as to prospects for this year's corn crop, some of which has had a poor start and some of which has not yet been seeded, owing to continued wet weather over a good deal of the corn country.

So far most of the demand from south of the border for feed grain has been for oats, although the United States Government bought 7½ million bushels of feed wheat in Canada. Most of the barley which has gone south has been for malt for the brewing and distilling trades. Now some American experts, worried over the feed situation, have been wondering if it will not be necessary to switch the demand to barley and to more feed wheat, on the ground that these less bulky grains can be handled with greater economy of shipping space.

So far as price is concerned the past week has shown no important developments, except for a further advance in the price of rye, which is not under ceiling control, reflecting an increased demand for this grain for feeding in the United States. Oats and barley prices have remained at ceiling levels. wheat prices have fluctuated narrowly, close to, but mainly below the dollar mark. There is sufficient wheat demand from day to day to take care of new deliveries by farmers, practically all of which are sold on the open market at levels above what farmers could obtain from the Wheat Board. But the demand, while keeping pace with the daily surplus, has not been sufficiently insistent to bring about a price advance.

The Business Of Farming

By GORDON L. SMITH

On thousands of farms in eastern Canada not an acre of spring grain has yet been sown. Ground is saturated with water and at least three days of continuous dry weather will be needed before tractors or horses can get on the land.

The situation is becoming increasingly serious. Without a good crop of spring grain it will be exceedingly difficult to produce all the food urgently needed next winter, especially concentrated lines like meat, dairy and poultry products.

• • •

Grain Carryover Helps

Fortunately there is still a big carryover of coarse grains in western Canada, the harvest last fall being almost double the average of recent years. But here again there is a grave handicap in the current shipping congestion. Boats on the upper lakes were unable to start operations until a month later than usual, and in the meantime grain, ore and other freight had been accumulating.

It is understood that the authorities are planning an educational campaign to impress on eastern farmers the necessity of ordering required grain early, so as much as possible will be brought down from Fort William while the lakes are open. Last fall the eastern demand for western grain did not really develop until well into the winter, and as a result much less of this grain was moved than would have been the case had full advantage been taken of water shipping. Now if spring grain crops are poor in Ontario, Quebec and the Maritimes, and huge quantities of feed are needed from the West, this will have to start moving as soon as possible or the volume will not be sufficient to cope with the situation.

• • •

Situation Aggravated

The lateness of the season this year aggravates two other serious agricultural shortages — labor and special seeds. With spring work greatly delayed, the rush of seeding which normally is spread over all of May will now have to be taken care of in a few days, because most crops, to have any chance of success, must be sown before early June. With many farmers it is going to be impossible to get in all the oats and barley planned. The alternative would ordinarily be later emergency crops, things like corn, buckwheat, millet, corn roots, etc. These mature quickly and like hot weather. Unfortunately, however, there is not a great amount of seed available, and many of them, too, require much labor in handling.

ELECTED PRESIDENT

Dorothy Benson, who has been elected president of the Women's Advertising Club of Toronto. Miss Benson is manager of Mundy-Goodfellow Printing Co.

Women's Ad Club Elects Officers
Toronto Organization Unique and Completes Ten Years of Service

Women's Advertising Club of Toronto, said to be the only organization of its kind in Canada, has held its 10th anniversary and annual meeting at which Miss Dorothy Benson, manager of Mundy-Goodfellow Printing Co., was elected president. Other officers and directors are:

MRS. VIDA RALPH WATSON, T. Eaton Co., vice-president; MISS HAZEL KELLY, Stevenson & Scott, corresponding secretary; MISS NINA MORASH, E. L. Ruddy Co., MISS ADELE HOGAN, Norris Patterson Ltd., MISS AMY COX, L. K. Liggett Co., MRS. SHIRLEY BAKER, Borden Co., and MISS OLIVE HURRELL, Pharmaceutical Publishing Co., directors.

DIVIDEND NOTICES

The Great West Saddlery Company Limited

6% Cumulative First Preference Stock ($50.00 Par Value)

6% Cumulative Second Preference Stock ($50.00 Par Value)

A dividend at the rate of six per cent (6%) per annum, being the accumulated dividend for the three months ending June 30th, 1943, on the First and Second Preference stock, has been declared and authorized to be paid on July 6th, 1943, to all First and Second Preference Shareholders of record with the Transfer Agents of the Company at the close of business on June 5th, 1943.

By Order of the Board.

J. C. BROADFOOT, Secretary.

Winnipeg, Man., May 21, 1943.

HALLET & CAREY LIMITED
GRAIN - STOCKS - BONDS
Exporters - Grain Futures
Head Office — WINNIPEG, Man.
Branch — FORT WILLIAM, Ont.

All Economic Areas Show Gain in April
Prairies and British Columbia Lead in Percentage Gains While Quebec Establishes New High Record

General increases were recorded in The Financial Post's regional indexes of business activity for April as compared with March. Greatest percentage gains were shown in the Prairies and British Columbia. Ontario's gain was smaller as were those in Quebec and the Maritimes. Quebec attained a new high record in April.

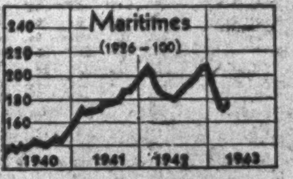
Sales of life insurance recorded appreciable gains in all five areas. Bank debits were higher in Quebec and especially so in the Prairies. Employment in the Maritimes, Quebec and the Prairies was higher while Ontario, British Columbia and the Maritimes showed marked gains in electric power output.

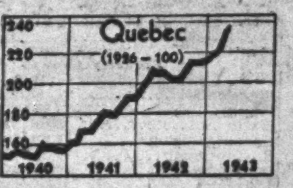
Construction showed a spotty trend. Increase in meat packing operations in Ontario was noticeable while heavy wheat receipts in the Prairies advanced the index for that region.

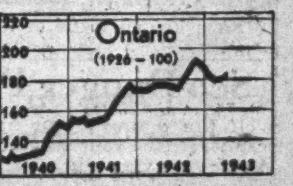
Trend of Business in Economic Areas

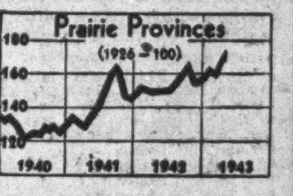
	April 1943	% Change April 1942	March 1943
Maritimes:			
Constr. contr. $	691,000	—72.7	1,974,000
Bldg. permits $	119,000	—66.9	114,000
Life ins. sales $000	3,876	+43.1	3,511
Bank debits $000,000	91.7	+7.1	102.0
Elec. pwr. kw.h.000	81,000	—9.0	75,000
Employment*	168.4	+5.7	167.4
Index	178.6	—4.3	176.7
Quebec:			
Constr. contr. $	4,673,000	—17.2	2,779,000
Bldg. permits $	1,493,000	—51.6	904,000
Life ins. sales $000	13,648	+50.5	12,390
Bank debits $000,000	1,156	+15.4	1,114
Elec. pwr. kw.h.000	1,845,000	+7.6	1,865,000
Employment*	198.9	+11.4	198.7
Newsprint prod., tons	229,573	—17.3	246,855
Cotton consump. lb.	15,899,807	—11.0	18,186,405
Index	238.0	+13.5	235.9
Ontario:			
Constr. contr. $	7,823,000	—25.6	4,700,000
Bldg. permits $	3,500,000	—25.5	2,393,000
Life ins. sales $000	22,077	+32.3	20,205
Bank debits $000,000	1,840	—2.9	1,959
Elec. pwr. kw.h.000	880,000	+3.5	902,000
Employment*	186.4	+6.9	186.6
Livestock slaughter.*	230.8	+9.9	213.0
Index	183.8	+2.5	181.4
Prairie Provinces:			
Constr. contr. $	2,067,000	+10.5	1,280,000
Bldg. permits $	1,958,000	+6.7	1,009,000
Life ins. sales $000	6,669	+38.5	6,470
Bank debits $000,000	746	+38.9	589
Elec. pwr. kw.h.000	244,000	+14.0	274,000
Employment*	135.4	+7.4	134.7
Wheat receipts bu.	14,147,000	+121.4	9,994,000
Wheat prices**	99	+25.3	97/1
Index	174.2	+15.9	168.6
British Columbia:			
Constr. contr. $	794,000	—59.4	378,000
Bldg. permits $	273,000	—79.2	604,000
Life ins. sales $000	3,974	+66.1	3,439
Bank debits $000,000	237.3	+10.8	248.3
Elec. pwr. kw.h.000	218,000	+1.9	213,000
Employment*	182.4	+22.0	181.4
Index	189.6	+15.5	185.7

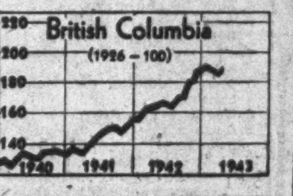
*1926=100. Employment statistics apply to preceding month.
**Cents and eighths of a cent per bushel.











Wheat Prices

Winnipeg Grain Futures
Week of May 24, 1943

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close May 24
		Wheat			
1.02⅝	.91¾	May	.99	.97¾	.98¾
1.03⅜	.95⅛	July	.99⅜	.98⅛	.98¾
1.04¼	.96	Oct.	1.00⅜	.98⅞	.99⅜
1.01¾	.99⅝	Dec.	1.01⅛	.99⅝	1.00⅛
		Oats			
.51½	.45⅝	May	.51½	.51½	.51½
.51½	.47⅝	July	.51½	.51½	.51½
.51½	.49⅜	Oct.	.51½	.51½	.51½
.51½	.51½	Dec.	.51½	.51½	.51½
		Barley			
.64¾	.62⅝	May	.64¾	.64½	.64¾
.64¾	.62⅝	July	.64¾	.64⅜	.64¾
.64¾	.62¾	Oct.	.64¾	.64½	.64¾
.64¾	.64½	Dec.	.64¾	.64½	.64¾
		Rye			
.81¾	.56¼	May	.81¾	.79¼	.81¾
.82⅜	.65	July	.82⅜	.79⅞	.82⅜
.83⅞	.70½	Oct.	.83⅞	.81	.83⅝

Cash Quotations

	For Week May 24 High	Low	Prev. Week High	Low
Wheat:				
1 Nor.	.98¾	.97¾	.98⅞	.97½
2 Nor.	.95¾	.94¾	.95⅞	.94½
3 Nor.	.93⅞	.93	.94¼	.92¾
4 Nor.	.90½	.89½	.91¼	.89½
5 Wheat	.85¾	.84¾	.86⅜	.85
6 Wheat	.84¾	.83⅝	.86⅜	.84
Oats:				
2 C. W.	.51½	.51½	.51½	.51½
3 C. W.	.50	.49¼	.49¼	.49
Barley:				
1 Feed	.62½	.62	.62¼	.57
2 Feed	.60¾	.59⅝	.59¾	.57¾
Rye:				
2 C. W.	.81¾	.79¼	.78¾	.77

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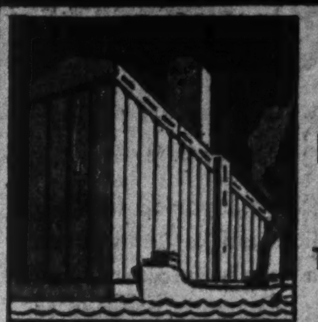

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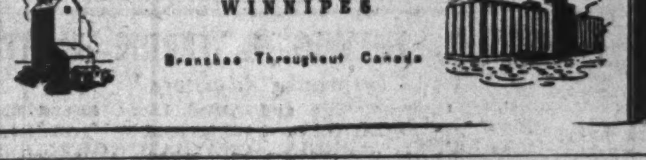

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WINNIPEG
Branches Throughout Canada

Patriotic Prairie Farmers

Our prairie farmers are labouring under severe handicaps.

They are seriously short of labour, and so both old and young have to work far too many hours each day. The price of wheat is low, and in addition farmers are holding at their own expense almost 200 million bushels of wheat which no one at the moment will buy.

The purchasing power of the average unit of farm products is less than it was in 1913-14. (Hourly wages of industrial labour are some 50% higher than in 1913-14.)

In spite of these difficulties and hardships our prairie farmers are doing their very utmost to produce all the foodstuffs needed for the war effort of Canada and the United Nations.

SEARLE GRAIN COMPANY, LIMITED
WINNIPEG, REGINA, SASKATOON, EDMONTON, CALGARY, FORT WILLIAM, VANCOUVER

NOTICE
TO SMOKERS OF IMPORTED MIXTURES

The wartime disappearance of imported smoking mixtures from the Canadian market entails no hardship on Canadian pipe smokers, for Canadian-made Piccadilly is specially blended to please the most exacting tastes.

Piccadilly
LONDON
SMOKING MIXTURE
Try it to-day

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THE ASSURANCE COMPANY
Since 1889
HEAD OFFICE WATERLOO, ONTARIO
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Instead of having the Courts or Statutes distribute your assets, you can provide your own distribution by making your will. And you can ensure that your wishes will be carried out by the appointment of a strong Trust Company as your executor and trustee.

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LIFE ASSURANCE AT LOW COST
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WHEN IT IS MOST NEEDED
Write for particulars to the Local Branch Office.

THE FORTH BRIDGE EDINBURGH
A bridge noted throughout the world for the outstanding strength of its construction.
The scene of the first bombing raid in Britain—it stands proud and unscarred.

Chartered Banks Act As Agents of Ottawa

Pay Government Subsidy of Two Cents a Quart to Milk Distributors Under Wartime Prices and Trade Board Program

A new and little publicized wartime activity of the chartered banks is acting as agents for the Dominion Government in paying the government subsidy to milk producers.

Under the WPTB program, payment of the milk subsidy was found to present a particularly difficult problem.

Cut Prices to Consumer

According to this program milk distributors were required to reduce the price to their retail customers by eight cents a gallon, two cents a quart or one cent a pint, while continuing to pay the farmers the full price previously obtaining. Prompt payment to the farmer was considered desirable. But this left the dairy with a temporary deficit of two cents on every quart of milk handled. They had, of course, the right to recover it later from the government, but some of them had very limited financial resources and it was felt that, in many cases, some hardship would result because of the gap between payment to the farmer and recovery of the subsidy.

It was decided to ask the banks to act as paying agents of the Commodity Prices Stabilization Corp., the government organization handling subsidies.

Under the plan adopted, the banks supply the distributor with government forms on which they show the quantity of milk bought and the amount of subsidy to which they are entitled. A draft is then drawn on Ottawa for the amount. The bank in the meantime pays the dairy.

These claims for subsidy are made once a month and thus there is no waiting by the distributor. The banks, it is understood, get a small commission varying with the amount handled.

Distributors are expected to put their subsidy claims through the bank with which they ordinarily deal. If they did not deal with any particular bank they were asked to select one.

Saves Government Effort

By making use of the existing bank machinery the Commodity Prices Stabilization Corp. was able to meet each claim quickly, protect dairies against financial embarrassment and avoid the irritation which might be caused by delay. It also made it unnecessary for the government to establish the network of offices which otherwise might have been necessary and which probably would not have covered the country as thoroughly and would have meant extra expense and extra manpower.

Fire Losses Increase Over Previous Year

Total for Canada Over $31 Millions States Dominion Fire Commissioner W. L. Clairmont —Number of Incendiary Fires Declines

Fire losses in Canada in 1942 amounted to $31.2 millions, an increase of more than $3 millions over 1941, W. L. Clairmont, Dominion Fire Commissioner, told the Dominion Fire Prevention Association at the Seigniory Club, Quebec, last week. This is an increase of over 11%. Smokers' carelessness, he stated, continued to be the chief cause of fires in Canada.

Four Provinces Show Decline

The increase in the total property fire loss occurred in Ontario, Quebec, Nova Scotia, Saskatchewan and British Columbia, the other four showing decreases from the previous year. Dwelling house fires continued the most numerous, accounting for about 75% of the total, but the value was under 25% of the aggregate dollar loss.

He gave the following breakdown of losses by property classifications for the last two years.

Property Groups

	1942	1941
Residential	$7,108,014	$5,904,177
Mercantile	8,666,071	6,521,414
Farm	2,191,303	2,942,727
Manufacturing	6,970,610	5,957,071
Institutional	1,392,182	1,647,739
Miscellaneous	4,854,058	5,069,779
Total	31,182,238	28,042,967

Fires known to be of incendiary origin totalled 158 in 1942, involving a loss of about $325,000, he said. In 1941 there were 183 fires due to incendiarism with a monetary loss of $267,971.

More Efficient Investigation

The decline in numbers he attributed to the growing efficiency of investigating authorities.

Although smokers' carelessness continues the most important common cause of fires, Mr. Clairmont declared there were altogether too many fires due to defective heating equipment, including chimney blazes. He suggested the association concentrate on the problem. Legislation as well as education should be used to reduce losses from this cause, he declared.

There were more large fire losses of $50,000 and upward in 1942 than in 1941, he stated, although the maximum loss in any one fire was much less than in the previous year. The aggregate loss in fires of over $50,000 damage was $8,897,828, or $1,740,584 above the previous year's level.

The Dominion Fire Prevention Association held its annual meeting in conjunction with that of the Association of Canadian Fire Marshals.

See Danger Points In Average House

If fire destroys your home, you cannot stretch your insurance policy. Values are very much higher today. So be certain you are insured up to proper value, says a folder being distributed by the Dominion Board of Insurance Underwriters.

It lists 31 danger points presenting a fire hazard in the home as follows:

1. Chimney poorly constructed and without flue lining.
2. Rubbish in attic.
3. No fire stops.
4. Soot in chimney.
5. Aerial not properly grounded and no lightning arrestor.
6. Combustible roof exposed to chimney sparks.
7. Non-automatic electric iron left attached.
8. Leaking gas stove.
9. Garage attached to house without fire proofing.
10. Door from house into garage not metal sheathed or tight-fitting.
11. Improper extension violating electrical regulations.
12. No vent in garage to allow fumes to escape.
13. Gasoline kept or used in any part of building.
14. Rubbish in cellar.
15. Wet clothes hung on electric wire.
16. Wooden barrel for hot ashes.
17. Unprotected steam pipes.
18. Joists resting on brick chimney.
19. Sagging, defective, unprotected furnace pipe.
20. Kerosene near fire.
21. Stove pipe lacking metal collar where it enters chimney.
22. Stove and stove pipe unprotected from wall.
23. Asphyxiation and explosion possibility from kerosene or gas stove.
24. Wooden lath walls without fire stops.
25. Fireplace hearth and bricks not sufficiently insulated and no screen.
26. Unapproved electrical appliance lacking proper insulation.
27. Matches within reach of small children.
28. Overloaded circuits permitted by improper electric fuses or dangerous substitutes.
29. No tightly covered metal container for storing oily rags or cleaning cloths.
30. Searching for gas leaks with open flame.
31. Lack of ceiling of cement on metal lath extending across cellar from one foundation to the other.

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

J. G. WICKS, to be manager, Bath, N.B.

M. I. GAMBLIN, to be accountant, Dartmouth, N.S.

E. S. ROSS, to be accountant, West Side, Saskatoon.

The Royal Bank of Canada announces the following staff changes:

T. H. GILCHRIST, to be manager, Shelburne, Ont.

S. G. REID, manager, Berwick, N.S., to be manager, Campbellton, N.B.

A. J. SMITH, manager, Campbellton, N.B., to be manager, Fredericton, N.B.

A. B. THOMSON, accountant, Oshawa, Ont., to be manager, Annapolis Royal, N.S.

T. H. VAN WYCK, manager, Morse, Sask., to be manager, Abbey, Sask.

H. BOWER, accountant, Prince Albert, Sask., to be accountant, Saskatoon, Sask.

A. D. ELLIOTT, accountant, Tillsonburg, Ont., to be accountant, Oshawa, Ont.

H. W. HAMRE, accountant, Swift Current, Sask., to be accountant, Prince Albert, Sask.

W. H. KNECHTEL, assistant accountant, Yonge & College, Toronto, to be accountant, Tillsonburg, Ont.

J. L. SMITH, to be accountant, Swift Curent, Sask.

The Bank of Montreal announces the following staff changes:

C. G. PRITCHARD, accountant, Vancouver, to be special representative with headquarters in the superintendent's department, Vancouver.

F. W. QUANE, of head office, to be an inspector, with headquarters at head office.

The Canadian Bank of Commerce announces the following staff changes:

T. A. PUGSLEY, manager Bay & Wellington, Toronto, to be manager, Adelaide & Yonge, Toronto.

J. K. PATTERSON, manager at Adelaide & Yonge, Toronto, to be manager Yonge & Queen, Toronto.

Canada Bread Co. is paying a dividend of 10 cents a share on its common stock on July 1, 1943, to shareholders of record June 10. This marks the first common dividend to be paid by this company since 1931. Maple Leaf Milling Co. controls the common stock.

Less Currency In Circulation

Bank of Canada Note Issue Down Following Victory Loan

A small decline in note circulation is shown in the Bank of Canada statement for the week ended May 19. This is regarded as a result of the Victory Loan campaign which tended to restrict general expenditures of many individual investors, thereby reducing the need for currency.

An increase in the holdings of sterling reflects routine operations between the Foreign Exchange Control Board and the bank. A rise in total deposits was offset by larger investments and increased miscellaneous assets, including cheques on other banks not yet cleared.

	May 19 1943 $	May 12 1943 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	746,781,244	747,478,616
Rest fund	6,472,953	6,472,953
Deposits: Dom.	96,015,558	56,241,473
Banks	330,411,732	319,893,655
Other	29,693,816	26,284,311
Total deposits	456,121,106	402,419,439
All other	16,843,582	16,357,692
Total liabs.	1,231,218,885	1,177,728,700
Assets		
In Sterling & U.S.	15,634,023	579,023
Subsid. coin	189,147	148,892
Advances	....	625,000
Investments:		
Dom. gov. sh.	843,287,375	845,982,433
Other Dom. gov.	295,769,369	290,549,708
Total invest.	1,139,056,744	1,136,532,141
Premises	2,100,938	2,100,530
All other assets	74,238,033	37,743,114
Total assets	1,231,218,885	1,177,728,700

Weekly Bank Clearings

	May 20 $	Change yr. ago %	May 13 1943 $
Halifax	6,312,707	+39.0	5,352,206
Saint John	4,369,341	+89.7	3,510,240
Moncton	1,155,233	—7.8	1,037,314
Sherbrooke	1,140,959	+8.2	1,138,456
Quebec	7,188,127	+11.6	6,031,416
Montreal	206,726,652	+44.8	150,953,237
Ottawa	224,129,439	+271.3	183,712,238
Kingston	964,744	+12.4	834,391
Peterborough	980,978	+23.6	906,696
Toronto	204,882,010	+30.0	138,707,458
Hamilton	8,403,070	+8.3	6,748,592
St. Catharines	1,636,975	+23.9	1,472,192
Kitchener	1,453,844	+7.7	1,441,662
Brantford	1,243,495	7.7	1,305,158
London	3,453,190	+6.9	3,968,904
Chatham	641,849	+2.4	769,296
Windsor	5,006,245	—10.3	4,303,376
Sarnia	855,169	+81.8	718,824
Sudbury	1204,107	+32.5	1,089,880
Fort William	1,217,441	+7.8	966,881
Winnipeg	75,890,327	+61.3	89,895,694
Brandon	544,503	+20.1	511,216
Regina	6,124,458	+24.9	6,541,081
Moose Jaw	845,872	+19.2	862,613
Saskatoon	2,019,927	+20.6	2,249,265
Prince Albert	655,976	+40.4	634,064
Edmonton	9,665,025	+50.7	8,182,487
Calgary	8,905,627	+41.9	8,307,377
Lethbridge	966,076	+61.6	907,176
Medicine Hat	461,650	+40.9	441,231
N. W'minster	845,810	—9.6	912,711
Vancouver	29,782,805	+38.2	27,291,260
Victoria	2,174,118	+14.8	2,106,933

Twin City Rapid Transit Co. reports consolidated net income, after interest, taxes and all charges, equivalent to $20.16 a share on its preferred stock for the quarter ended March 31, 1943. This compares with $7.19 a share earned for the corresponding period last year. Fixed charges were earned 6.77 times after depreciation in the latest period.

The rest-pause that refreshes

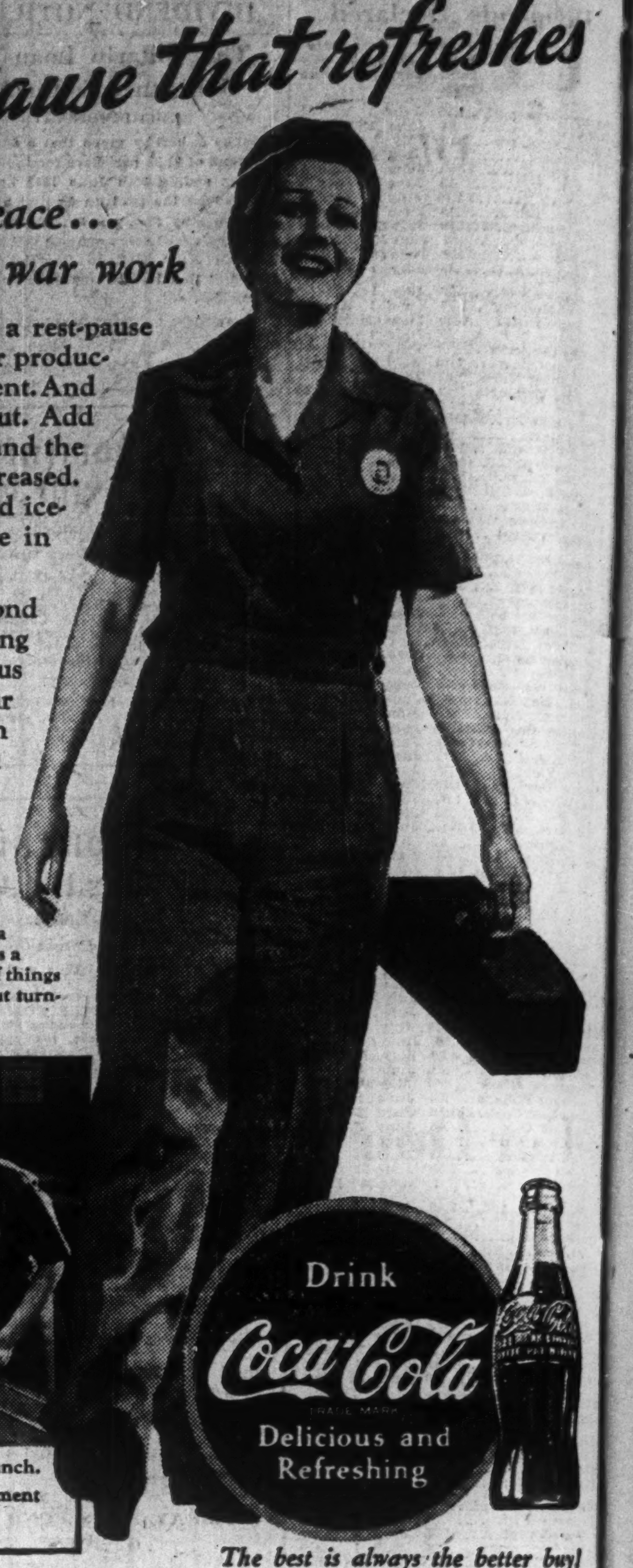
Welcome in peace... more welcome in war work

Ask plant managers what a rest-pause means to workers in war production... more work-contentment. And contentment increases output. Add refreshment to a rest-pause and the feeling of contentment is increased. That's a reason why you find ice-cold Coca-Cola so welcome in war plants.

Ice-cold Coca-Cola goes beyond just quenching thirst to bring you refreshment. Its delicious goodness always delights your taste. Here is a drink made with a finished art, quality you count on. Nothing refreshes like an ice-cold Coca-Cola.

* * *

Letters from plant managers from coast to coast emphasize that the little moment for an ice-cold Coca-Cola means a lot to workers in war plants. It's a refreshing moment on the sunny side of things ... a way to turn to refreshment without turning from work.



Try ice-cold Coca-Cola with your lunch. You'll like the way its taste and refreshment add to the pleasure of eating.

The best is always the better buy!

THE COCA-COLA COMPANY OF CANADA, LIMITED
554

Canada Bud Breweries Ltd. shareholders have until June 15 to accept the offer to exchange their stock into that of Canadian Breweries on the basis of one common share and one fifth of a preference share of Canadian Breweries for each Canada Bud share. The offer was originally open until April 15, was later extended to May 15 and has now been further extended to June 1. As a result of this offer and its previous holding, Canadian Breweries now holds over 90% of the Canada Bud stock.

KEEP
war-production rolling...
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Urges New Prospecting Plan

Oliver Hall Would Unite Prospector and Geologist

"The trouble with prospecting in this country is that our prospectors and geologists don't talk the same language. If we could get them working more closely together, we would have ten times the finds we have at present . . . there are vast mineral-bearing areas in this country which have only been prospected in a most superficial way."

Thus Oliver Hall, president of the Ontario Mining Association and Noranda consulting engineer, tells The Financial Post his belief that part of our mine-finding trouble lies in the technique we have been using. He has been one of the men responsible for Noranda Mines success in developing new producers (Hallnor is named after him).

Analyzing Canada's prospecting situation, he lists our chief mine-finding resources as follows:

1. The Dominion Geological Survey.
2. Provincial geological departments.
3. Prospectors (and their backers).
4. Mining companies.

As Mr. Hall sees it, the Dominion Geological Survey should watch closely for "warm areas" for prospecting: places where new finds have been made, areas where surveys have indicated possibilities, areas which may be promising due to their relationship to other proved areas.

Where Province Comes In

When the Dominion Geological Survey decides that a certain area is of exceptional promise, the provincial geologists should survey it, recording all available information that might be useful for the prospector. These geologists shouldn't devote just one season to it, but should try to "crack it open" with two or three years' work.

But even this work will be fruitless if the prospector doesn't become well acquainted with the geologist and vice-versa, Mr. Hall thinks. Classes for prospectors across the country have been a real foundation but the work of education has only been started.

Publicity Necessary

It is suggested that the Dominion and provincial governments should give wide publicity to the areas in which they will be working in a given season. Prospectors should be invited to consult with geologists in their camps of an evening after the ordinary day's work is over. The geologist could tell, in simple everyday terms, what might be found—and the best place to look for it. The prospector, for his part, could tell the geologist of the fruits of his search. The geologists would perform a valuable function in telling the prospector whether or not a find was significant; whether or not it deserved further work. Much waste effort could be avoided, Mr. Hall points out.

Geological maps and reports have often been enigmas even for the geologist. One type of rock may be called four or five different names in a single report, confusing the layman prospector. In intimate touch with a geologist, prospecting can become a much more intelligent business than in the past.

Companies Would Spend More

Granted this closer relationship between prospector and geologist, mining companies would be prepared to spend more on exploration, Mr. Hall declares. Prospecting for the large companies has often been an unprofitable business; efforts have consequently been devoted more to opening of mines than actual finding of them. With the recent tax concession granted mining companies on prospecting expenditures, the close linking of prospector and geologist might conceivably change the entire attitude of mining companies on prospecting.

New Areas Opened Up

Mr. Hall points out that the war has been of great assistance in opening up areas for prospecting. Canada has been dotted with airfields which will be convenient hopping off places for the prospector. Labrador and Canada's northwest will both be much more accessible to the prospector. The Alaska highway will provide a relatively new prospecting area.

Reconnaissance photography by the RCAF is suggested as a guide to prospecting activity. This could be carried on during routine training. Mr. Hall suggests this and thinks the government should participate much more directly in the prospecting field in the future.

The Week in Oils

From Our Own Correspondent

CALGARY. — Norcanols Oil & Gas Co. has selected the initial well-site for a third potential oil and gas structure in southern Saskatchewan, and is preparing to get drilling under way immediately. Drilling is already under way on other southern Saskatchewan structures for the Norcanols company, which is controlled by Imperial Oil, with minority shares held by the Canadian Western Natural Gas Co., Osler Hammond & Nanton and others.

In addition to this program, Norcanols has a survey program under way in an area which covers several million acres in south Saskatchewan, extending south from Moose Jaw and Regina to the international border.

The new well, Norcanols-Parry No. 1, will be drilled in L.S.D. 16 8-9-21w2, on a shallow structure defined during survey operations. The Madison limestone contact is looked for around 3,000 ft. The Parry location is about 14 miles north and east of Norcanols-Ogema No. 1 (now drilling in the Devonian lime at 6,608 ft.), and about 12 miles southeast of Norcanols-Dahinda No. 1 (now drilling in the Madison lime below 4,543 ft.).

• • •

New Plains Tests

General Petroleums (Kinsella) has commenced its central Alberta plains test. The well, Kinsella Phillips No. 2, is about 50 miles northwest of the recently completed Kinsella Phillips No. 1 and about 10 miles west of the big Viking gasfield. No. 2 was recently spudded in with the light rotary from No. 1, was carried to 647 ft., and has set 8⅝-in surface casing at 113 ft.

The General Petroleums (Kinsella) Syndicate controls around 70,000 acres in the vicinity of the Nos. 1 and 2 wells. The drilling is being undertaken by the General Petroleums (Kinsella) Ltd., which has the right to select up to 25,000 acres.

A group headed by Max Bell, Calgary publisher, has taken up a large reservation (some five townships) in the Kinsella area, has staked an initial drill site, and has let drilling contract. The well, known as Blackleaf No. 1, will be six miles west of the Kinsella Phillips No. 1 test. The contractor, Drilling Contractors, is now reported moving in light rotary equipment.

• • •

Vermilion Producing

Bringing to an end the long period of stagnation in the Vermilion oilfield of central eastern Alberta, the Vermilion Consolidated Oils' conditioning plant has resumed operations, and is now processing in excess of 500 bbl. per day. The more than 20,000 bbl. of crude oil now in storage in tanks and open pits in the field should be cleared through the plant within a few weeks.

Now that stocks of oil are moving, there will likely be no delay in putting the 19 or more wells in the field back on steady production. Most of these wells have either been shut down completely or have been operating at reduced rates for several months.

Meanwhile, both the CNR subsidiary and independent operators are again actively drilling new wells at Vermilion.

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

A. E. OSLER & COMPANY

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Sylvanite

War conditions and the Kirkland Lake strike reduced average milling rate at Sylvanite Gold Mines to 481.5 tons in 1942 from an average of 600 tons for 1941. As a result both production and profits were affected

Development of new ore during the year is stated to have been satisfactory despite curtailment of development necessitated by a labor shortage. While the company's shaft sinking program was delayed, the shaft nevertheless reached 4,325 ft.

Since the end of 1942, it has been necessary to reduce mill tonnage to 400 tons daily.

Income & Surplus—Years Ended Dec. 31	1942	1941
Bullion production ..	$2,021,506	$2,389,635
Less: Marketing	21,938	28,245
Oper. exps.	1,031,609	1,161,885
Admin. exps.	67,289	69,366
Net oper. earns.	900,670	1,330,139
Add: Interest	5,970	5,856
Delnite divds.	118,195	118,195
Total earnings	1,024,835	1,454,190
Less: Depreciation ..	75,932	95,659
Reserve for taxes	227,815	350,678
Net profit	721,088	1,007,853
Less: Divds.	593,910	923,860
Surp. for year	127,178	83,993
Add: Prev. surp.	1,409,677	1,347,090
Adjustments	105,000	......
Less: Conting. res. ..	300,000	......
Outside explor. w/o	32,635	21,031
Loss on bonds	......	375
Balance forward	1,309,220	1,409,677
Earned per share	$0.219	$0.305
Paid	0.18	0.28
Working capital	$861,755	$483,711

Delnite Mines

A 29.3% increase in profits is reported for Delnite Mines in 1942 with earnings equal to 6.2 cents a share compared with 4.8 cents for 1941. Most of the increase was due to slightly higher production and lower operating costs.

After paying dividends at the same rate as the previous year, working capital was increased from $253,290 to $433,930. The company's debenture interest was retired several years ago and it now has no funded debt.

Income & Surplus—Years Ended Dec. 31	1942	1941
Bullion production ..	$1,220,663	$1,183,953
Less: Marketing	11,087	10,746
Net production	1,209,576	1,172,307
Less: Oper. exp. & adminis.	765,155	784,741
Oper. profit	444,421	387,586
Add: Invest. inc.	3,870	782
Less: Deprec.	67,519	67,341
Reserve for taxes ..	74,726	82,359
Devel. w/o	86,363	83,298
Shaft sinking w/o	33,653	31,566
Net profit	186,030	143,784
Less: Dividends	178,726	178,726
Surp. for year	7,304	*34,942
Add: Prev. surp. ...	153,116	190,058
Less: Adjusts.	18,285	......
Surp. forward	144,135	155,116
*Deficit.		
Earned per share ...	$0.062	$0.048
Paid	0.06	0.06
No. of Shs. Outstand.	2,978,767	2,978,767
Working capital	$433,930	$253,290

War Metals, Oil, Targets For Dominion Geologists

Strategic metals, base metals and petroleum will receive the most attention in this year's geological and topographical work of the Mines and Geology Branch, Department of Mines and Resources, Ottawa.

Principal aim this year is to obtain information that will aid in increasing production of these vitally important war minerals. Areas along the Alaska highway are included in the geological program.

40 Parties Altogether

Altogether 31 geological and nine topographical parties are being assigned to field work this year. The former will map and investigate areas in every mining province and in the Yukon and Northwest Territories. One geological party will operate in the Yukon, one along the Alaska highway in the Yukon and B. C., nine in British Columbia, six in Alberta, one in Saskatchewan, three in Manitoba, two in Ontario, one in Ontario and Quebec, three in Quebec, one in New Brunswick, two in Nova Scotia, and one in the Northwest Territories. Seven of the topographical parties will operate in Alberta, one in Manitoba and one in Nova Scotia.

Areas which will be investigated include: the Dublin Gulch area in the Yukon where tungsten has been discovered; tin showings in the same area; the Ross Lake area 30 miles east of Yellowknife, a potential source of tungsten and base metals; a belt 15 miles wide along the Alaska highway; possible oil and coal areas of British Columbia; the Ainsworth zinc area, B. C.; the north end of the Takla mercury belt, B. C.; the Hudson Hope coal area in the Peace River country.

All of the geological and topographical work in Alberta will be in areas that are being mapped to obtain information on their oil possibilities. Pouce Coupe, the Entrance area, the Alexo and Saunders areas and the Athabaska are among the areas where work will be done. Saskatchewan work will be for favorable oil structures. The Fox Valley, Kindersley and Radville areas will be examined and mapped.

Work Near Sherritt

In Manitoba exploration is to be done in the neighborhood of the Sherritt Gordon mine for new ore bodies. The area between the Mandy and Hudson Bay mines will be investigated as well as an area east of Flin Flon.

Further work is planned for the Steep Rock area in Ontario, while oil and gas fields of southwestern Ontario will receive attention. Fluorspar deposits near Madoc, Ontario, and the Noranda area will be investigated by another party. The Preissac molybdenum occurrence, the Cadillac gold belt and copper possibilities of the eastern Townships will receive work.

Investigations for oil will be carried out in the Sussex and Waterford areas of New Brunswick and iron and coal possibilities of Nova Scotia will receive further attention.

McIntyre Porcupine

Although war-forced restrictions on production meant a reduction in earnings of McIntyre Porcupine Mines to $3.75 a share the year ended March 31, 1943, from $4.29 the previous year. Dividends paid in the year were fully covered and working capital increased over $3 millions.

To cope with labor and supply difficulties, the company reduced production rate from 2,400 to 2,000 tons daily and underground development was curtailed.

After milling 757,210 tons of ore during the year, reserves at March 31 totalled 4,319,697 tons averaging $11.50 a ton at $35 gold. This reserve compared with 4,392,435 tons of $11.60 grade a year previous. Average value of ore treated last year was $11.34 a ton.

Income & Surplus—Years Ended Mar. 31	1943	1942
Bullion recovery	$8,212,403	$9,123,887
Less: Marketing	90,347	101,768
Operating income ...	8,122,056	9,022,119
Less: Min. & devel.	3,551,254	3,938,029
Milling	685,422	692,539
Admin. & gen. exp.	100,638	100,570
Stock trans., etc. ..	8,564	7,991
Taxes	1,366,654	1,473,276
Oper. earnings	2,409,524	2,809,714
Add: Int. & divs., etc.	770,837	797,774
Miscel.	3,126	4,253
Total net earn.	3,183,487	3,611,741
Less: Deprec.	171,286	179,625
Outside explor. w/o	22,836	6,146
Net profit	2,989,365	3,425,960
Less: Divds.	3,100,230	2,657,340
Surp. for year	*110,865	768,620
Add: Prev. surp.	16,468,008	15,702,673
Tax adjusts.	11,411	......
Sundry adjusts. (net)	857	......
Less: Sund. adjs. ...	......	3,285
Surp. forward	16,369,411	16,468,006
*Deficit.		
Earned per share ...	$3.75	$4.29
Paid	†3.885	3.33
Working capital ...	$23,076,870	$19,577,294

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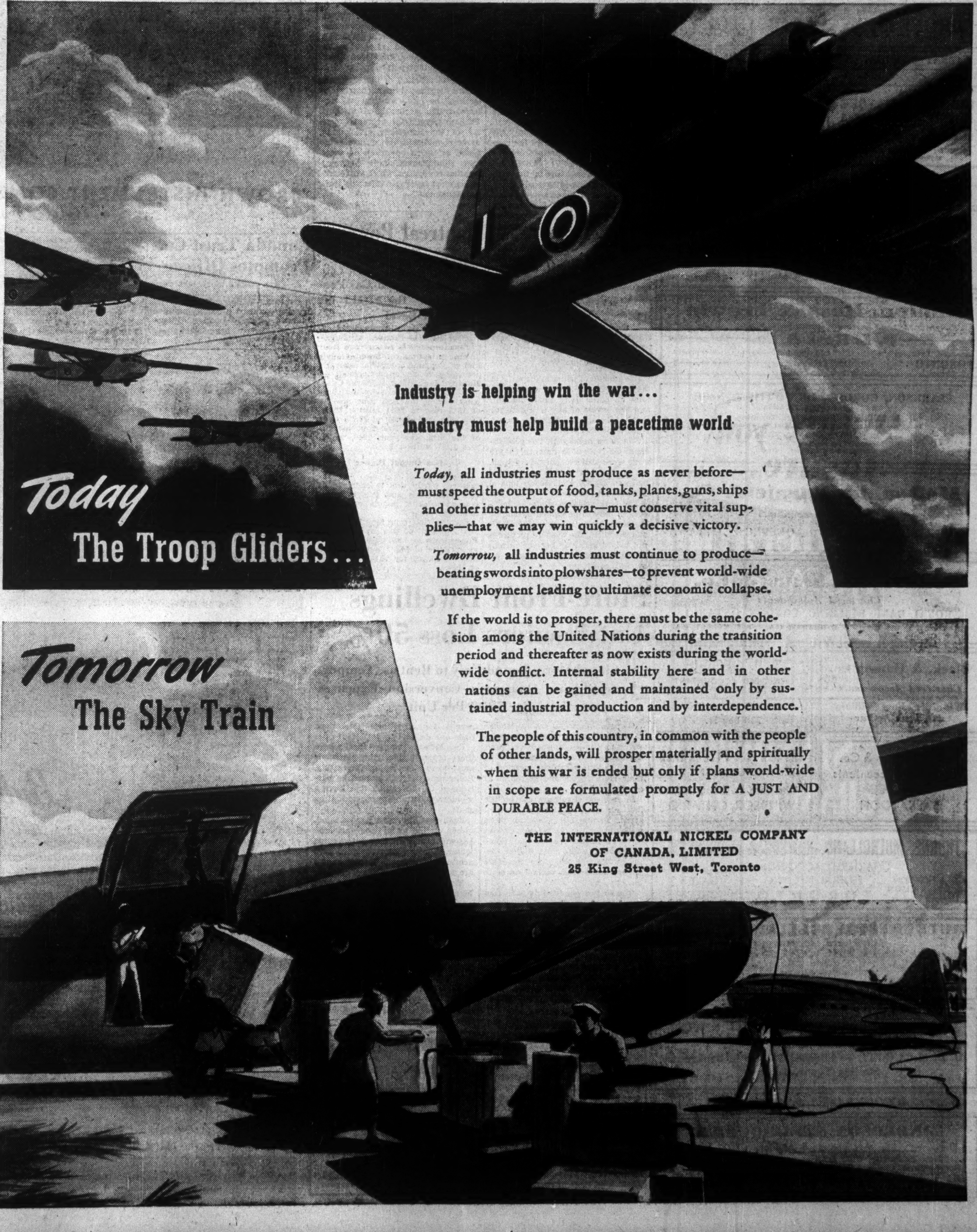

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Electric Signal System Will Speed Rail Traffic

In order to speed up train movements and give further protection, electric automatic block signals will be installed at a cost of more than $1 million over 250 miles of single track on the Schreiber Division of the Algoma District, CPR. This stretch has proved a "bottleneck," especially in the movement of war materials. An average of 26 trains pass over it each day.

H. J. Humphrey, Toronto, vice-president, eastern lines, said that installing these signals from Schreiber through White River to Chapleau would be finished by the end of the year. The blocks would, generally speaking, average three quarters of a mile apart.

"The absolute permissive automatic block signal system," stated Mr. Humphrey, "is a term used for an automatic block signal system on single track in which stop signals are used for opposing trains between fixed points, and 'Stop'; then 'Proceed' signals are used for following trains.

"This type of signalling permits the closer spacing of trains moving in the same direction, and does not sacrifice any of the safety of the absolute block for opposing trains between fixed points. Each signal light, which is automatically operated from the wheels and the rails, flashes three colors, Amber, 'Caution'; Green, 'Proceed,' and Red, 'Stop.'

To Speed Traffic

"The necessity of increasing the movement of eastbound traffic out of Fort William to cope with war conditions has led to a special study being made of this territory. The limiting factors are the Heron Bay and White River subdivisions, the former because of the low tonnage rating, due to steep grades, and the latter because on it the maximum interference with freight train movements from passenger trains is experienced."

Mr. Humphrey said that, following installation, there would be substantial savings in train hours on the line which would release much needed equipment and locomotives for use at other points.

"The installation of block signals in this territory is particularly desirable," he said, "as they will release traffic accumulated at Fort William beyond the present capacity of the Schreiber division to move it, and will also ensure additional safety in operation on these two subdivisions under adverse weather conditions, which will exercise a most favorable effect on traffic movement."

U. S. Faces Newsprint Crisis

Publishers' Stocks Dwindle, Use Exceeds Supply

By JOHN LANGDON

MONTREAL.—American publishers face tough times unless steps are taken immediately to bring consumption into balance with production.

This is the warning given its members by the American Newspaper Publishers Association, which points out that consumption of newsprint for 1943 to the end of April declined only 5.1% from the 1941 base period. (This situation has been apparent to the Canadian newsprint industry for several weeks and was reported upon in The Financial Post of May 1.)

The situation would not be so serious if newsprint stocks were growing at the mills. However, mill stocks have been going down.

In backing up its warning, the association states that April newsprint consumption was 2% over April, 1942, and 5.1% under April, 1941, by those newspapers reporting to the ANPA.

For the first four months of 1943 there was a decrease in consumption of 2.4% under the same period of last year.

More disturbing than anything else is the fact that the stocks of newsprint on hand in newspaper plants dropped to 52 days supply at the end of April in contrast with 56 days supply at the end of March, 1943; 60 days at the end of February, 1943, and 63 days at the end of January, 1943.

Can't Afford to Delay

Generally speaking, the association concludes, publishers cannot delay until next week or next month the important decision involving "use of no more newsprint than they are now able to get, because continued use of newsprint out of stocks will impair ability to meet the unknown developments of the future, certainly until this war is over.

"Publishers' stocks have been built up as a cushion or reserve to be used in extraordinary situations and not under normal conditions. Last winter we saw bad weather affect the transportation of newsprint from Canada and only the other day several mills were shut down on account of lack of power due to the ice situation."

Failure Creates Problem

Canadian newsprint manufacturers have agreed to provide the American market with 2.5 million tons this year. They have given assurance of their ability to do this provided that American publishers, on their part, reduce consumption to roughly 10% below the 1941 level.

The whole supply and demand situation has been carefully worked out by the War Production Board in the United States and the Pulp and Paper Administration in Canada.

Production is being tied in closely with estimated reduced consumption and a balance as between supply and demand can be attained, it is believed, provided that the use of paper is reduced by at least 10%.

Failure to achieve this saving will throw out of kilter the whole plan for providing the American market with reasonably adequate supplies of newsprint during 1943.

Savings Below Par

So far American publishers have been able to save only half of what was expected of them. The carrying forward of the tonnage that should have been saved and wasn't will create an impossible situation a little later in the year. Hence the concern now being expressed by the ANPA.

Inability to save up to the estimated 10% is due to several causes. Some of the newspapers have failed to comply with the WPB order. Others have preferred to use up surplus stock, hoping for an improvement in supply later, rather than cut down on use now. Then again, it is commonly reported, the WPB itself has been overly generous in issuing permits to newspapers to use more paper than they are entitled to under the restriction order.

Stocks are Shrinking

At the end of April the total North American stock of newsprint was 700,339 tons. This contrasts with 893,375 tons a year ago and is the lowest figure reported since June, 1941.

The amount of paper at the mills at the end of April, 1943, was 165,520 tons, an abnormally small amount, and the lowest of any like date for the last decade and for any month since December, 1937.

Stocks on hand with the publishers at the close of last month, 534,819 tons, were still comparatively high. In pre-war days they aggregated between 350,000 and 450,000 tons at this time of the year.

The true position of stocks, however, is only to be gained by adding together stocks in newspaper plants and the mills. The over-all picture is not bright and may become serious if the present policy of "living off stocks" continues.

Montreal Power Output Rises

Electricity and Gas Production for 1943 at Record Level

From Our Own Correspondent

MONTREAL.—Production of electricity has risen to new record high levels, reflecting continued expansion of wartime industrial activity, according to an announcement of Montreal Light Heat & Power Cons.

Output of electricity by the company during the first four months of 1943 rose to 1,811 million kw.h. This was an increase of 39.7% over the total for the first four months of the first war year, 1940, which was 1,297 million kw.h.

Gas Output Higher

Production of gas also has increased, partly due to shortage of other materials and partly to increased working population in the Montreal area.

For the first four months of this year, output of gas by Montreal Power rose to 1,925 million cu. ft., an increase of 14.6% over the 1,678 million cu. ft. for the like period of 1940.

Store-Front Dwellings Cut Owners Loss 50%

Closed Stores Found Easy to Rent as 'Temporary Living Quarters'; Conversion Expenses Generally Under $200 Per Unit

Owners of stores whose lessees have been forced out of business owing to war conditions have found it possible to salvage some 50% of revenues thus lost by conversion of their store fronts and re-rental as dwellings.

Store front dwellings are on the increase in congested Canadian areas. In one city, Toronto, there were approximately 164 conversions in 1942 and 48 so far this year. Some sources place the total higher, between 300 and 400, since there are an estimated 1,200 vacant stores in the city.

The cost of remodelling is reasonable. Most stores require only partitioning into room areas to be made habitable as dwellings. In some cases front windows are painted black and a rectangle left in the centre, fitted with Venetian blinds, to serve as a dwelling window. Usually alterations can be made for roughly $150, provided plumbing and wiring are up to the building requirements of the area.

Requirements Eased

In Toronto rents vary between $35 and $45 per month. As stores, properties which are now rented as five-room accommodation drew in the neighborhood of $75. Building requirements in Toronto have been eased, according to Building Commissioner K. S. Gillies, to help accommodate war workers in the present housing shortage.

Permits are required, and may be obtained for alterations under $500 (federal permits are not required for work under that amount), which is more than most owners consider an economic expenditure. In Toronto a permit for dwelling's alterations costs one dollar.

Regulations require that where there is no outside light, partitions must be two feet below the ceiling. Bathrooms and toilets must be partitioned to the ceiling and have a window or an approved ventilation shaft.

Each dwelling must have a toilet, either on the main floor or in the basement, and a sink with running water. All dwelling units must have access to the street. Rear entrances are considered as secondary only.

Transoms over outside doors must be made to open. No cooking appliances are allowed in bedrooms without windows.

Temporary Only

Store front dwellings are reported to be easy to rent under present conditions and have proved more than satisfactory, considered as a temporary measure only.

Most war workers realize they are living in congested regions only temporarily and take such quarters on that basis.

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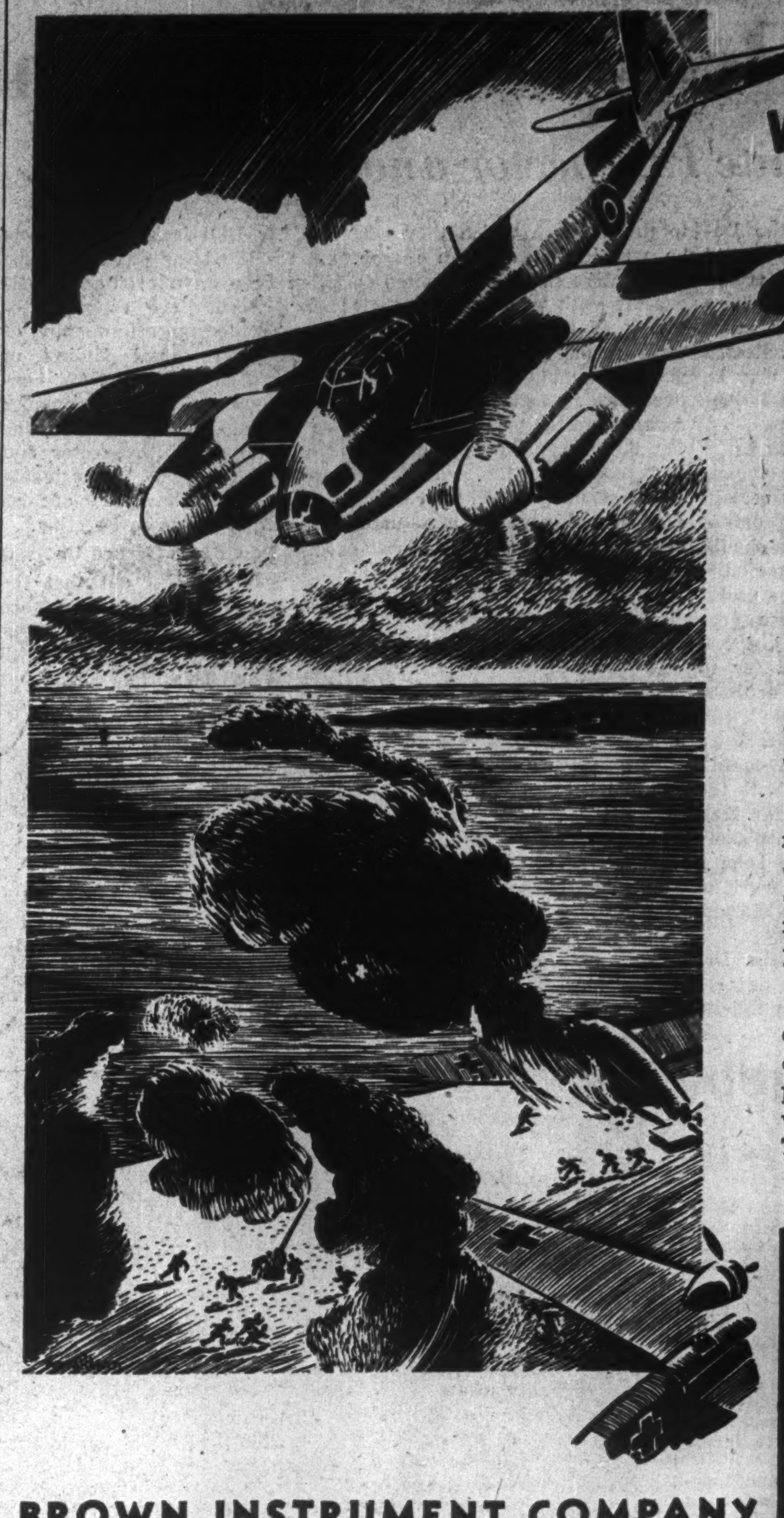

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Canada Trust Co. Promotes Officer

J. Allyn Taylor, for eight years estates manager for The Canada Trust Co., Winnipeg branch, has been appointed trust superintendent at head office in London, Ontario.

Mr. Taylor was born in Winnipeg, graduated from the University of Manitoba in 1928, and after a short period of accounting experience entered the trust business with The Royal Trust Co.

Some months ago he was chosen, along with one representative from the United States, to take part in a two-man delegation which visited a number of Latin American countries. The project was aimed at carrying the story of the Junior Chamber of Commerce movement to younger business and professional men in Latin America and was arranged with the endorsement of the Rockefeller Co-ordinating Committee and the Pan American Union.

Noorduyn Ltd.'s aircraft output is almost all going to the United States, according to a statement made by W. L. Bayer, president, before the House of Commons Public Accounts Committee. Sales of Norsemen to the United States Government alone amounted to $12 millions.

Montreal Stock Exchange and Montreal Curb Market report value of stocks listed at April 30 totalled $7,006 millions. This represented a decline of $15 millions from the March total but was $814 millions greater than on April 30 last year.

Bubbles can cost Battles

The advantage goes to the pilot who can get greater ceiling. At high altitudes, where atmospheric pressure is low, volatile aviation gasoline releases millions of tiny bubbles— dangerous bubbles that could form dread vapor lock and cause failure of the fuel system.

Today, one of over a thousand different parts made for aircraft and aircraft engines in Thompson plants, is a precision-built fuel booster pump. These booster pumps, developed to lick the bubble problem, are being delivered in huge quantities. They enable Allied bombers and fighter planes to climb into the substratosphere to dodge anti-aircraft fire and gain height advantage in air combat. Here, in Canada, over a thousand Thompson war workers have made "Top Production for Victory" their creed. They cannot man the tanks or the planes or the guns. But they are a part—a vital part in Allied Nations' fighting on all fronts. They have accepted the challenge to build *better parts* faster. Production through individual initiative has reached heights not dreamed possible several months ago—gives the measure of their will to win.

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THE FINANCIAL POST
Canada's Foremost Business Newspaper
Toronto, May 29, 1943

Canada's railways are carrying more freight and passengers with less equipment than they had in 1928. Here's one of the reasons — a new and powerful locomotive capable of hauling more cars at higher speeds.

Canadian Transportation Wins Its Battle Honors

Despite the Terrific Strain of the Last Three and a Half Years, Our Transport System Shows no Sign of Breakdown, is Handling More Freight and Passengers With Less Equipment

What happened in Montreal during the brief tramways strike dramatically underlined the extent to which the war effort depends on transportation.

Here one phase of transportation in one city was halted by labor strife. Dozens of factories, turning out essential supplies, were crippled because employees lacked the means to get to work.

If railway service failed, a similar paralysis would spread across the nation, for, unless the railways function, raw materials don't reach the manufacturing plants. Without raw materials, there is no manufacturing.

That there has been no failure in railway or other vital forms of transport under the terrific strain of the last three and a half years is a tribute to the efficiency with which they have been operated, as well as to the way in which facilities have been integrated to supplement one another to best advantage.

Today there is no sign of any breakdown, despite shortages of labor and equipment.

Transport's wartime job is far different from that it had in the easy-going days of peace.

Today we have priorities on freight, with government bodies telling the railways, the ships and other transport agencies what they must haul and when.

Ordinary competitive conditions play a smaller part than ordinarily expected. Railways for example, have reacquired much of the short haul freight business which they had lost to highway trucking.

The railways have had to tackle the task of keeping food supplies moving from the wheat fields to the shipping points on the oceans, at a time when great lakes ships have concentrated on carrying iron ore.

In 1942, Canada's railways hauled more freight and carried more passengers than ever before in their history. Yet they did it with fewer locomotives and cars than were available in the previous peak year of 1928. In the interval, more powerful engines had been developed; average capacity of freight cars had increased.

Bottlenecks which developed in transport in the last war have been overcome, such as those which proved so costly in the long haul through the Maritimes to the ice-free Atlantic ports.

New equipment has been made available for the railways up to an irreducible minimum, but the great lakes freight carriers and the highway truckers must get along with what they have at a time when wear and tear is more serious than ever.

New Tasks Undertaken

The war has meant new tasks for old established businesses. Shipping companies have undertaken the construction of warships and cargo carries for the ocean service. Railways, too, have built ships and repaired them.

Railway shops are making guns; have been leading producers of tanks for Russia and other Allies; are maintaining armament industries on a tremendous scale. Of perhaps equal or greater importance, the industries and companies which customarily supply shipping and railway companies with their equipment and their repair parts have turned more and more toward the output of war materials. Some of them have become producers of airplanes, shells, guns or gun mounts.

Throughout the whole industrial organization which contributes normally to the maintenance and efficiency of Canada's transport, the thread of war output stretches, growing ever stronger and more important.

Air transport has contributed far beyond its normal service of carrying passengers, mail, express or freight, important as these continue to be. Air lines are running training schools for the combined air training plan of the British Commonwealth. Their airports have been taken over and supplemented by the armed forces. They operate repair and service facilities, sometimes offering skill and equipment which could not be found elsewhere.

Lake Fleet Sets Records

On the great lakes, records have been broken. Last year, for example, the great lakes fleet carried 92.1 million tons of iron ore to the steel mills located around the lower lakes both in Canada and the United States. Never before had anything approaching such tonnage of this one product been transported. This year it is hoped that in spite of a late start, a comparable quantity can be handled.

At the same time the 700 vessels which make up the combined Canadian and U. S. fleet, carry coal, grain, metals, steel, oil and gasoline, and many other essential commodities. This lake fleet is operating under a new set of conditions, taking what is most urgently needed wherever it is required, without regard to peacetime restrictions on international freight movements. Its ships have been diverted to ocean service and a number of them have been lost by enemy action. Replacements, at least so far as the Canadian fleet is concerned, appear out of the question.

Transport by highway has altered tremendously since the last war. It has taken on much greater importance and has established itself as an efficient handler of many types of freight, specializing on shorter hauls.

Restrictions made necessary by war have been important factors which highway transport units have had to overcome.

Certain classes of highway truckers are limited to a radius of a predetermined number of miles. Others have been required to reduce the number of routes and schedules and change customers and outlets. Duplication and cross-hauling has been cut down.

Truck operators find themselves restricted in the amount of gasoline they can use; must get along with smaller and less efficient staffs.

New Records Established.

Called upon to assume a load never before equalled, Canada's railways have been able to handle 50% more freight and 40% more passengers than in 1917, a year when there were periods of serious congestion.

Railways have co-operated in raising carrying capacity of their freight cars, both through building larger and heavier cars and through assuring that each car carries more nearly the maximum load for which it is designed.

Efficiency has been increased and 1942's freight locomotives require one third less coal than those of 1917 to do an equivalent amount of work. This means one and a quarter millions less tons of coal each year, a tremendously important factor with coal shortages threatening everywhere.

Like other industries in wartime, the railways have felt labor shortages. They have called retired men back into service, have developed ways in which women can replace men in many jobs.

Air Transport Grows

The war has meant expanded airfields, radio and meteorological services. It has meant accelerated training services and extension of routes in a way which in peacetime would have taken many times as long. One outstanding example is the newly established air route to Alaska, now supplemented by a highway route.

Even before the war Canada's record in freight transport by air was outstanding. With the wartime development that has gone on, with the growth of the Trans-Canada Air Lines and the welding together of many "independents" into the strong organization of Canadian Pacific Air Lines, Canada's position is strengthened, her future in international air travel bright.

This huge pulley is known by loggers as a "canyon carriage" or "bicycle." Used on an overhead cable system it carries logs out of British Columbia forests.

Are We Entering 'The Age of Wood'?

War Develops Amazing New Uses for One of Our Oldest Materials

Filling essential war requirements ranging all the way from airplanes to explosives, wood is performing new miracles on the war production front. It is filling gaps caused by shortages of other raw materials, some of which it promises to displace permanently. Metamorphosed by chemistry, wood in the form of plastics is being used for many war purposes including bomb sights. As plywood, it is substituting for metals such as aluminum and magnesium.

Wood has become a strategic material—an essential ingredient for everything from first line airplanes to explosives, from sponges to vital charcoal for gas masks.

For years wood was regarded as useful but belonging to the past rather than the present. But wood has undergone a revolution. Old concepts have been thrown off in the light of new needs and new knowledge. To the scientist wood is proving a fertile source of new products, unique new raw materials.

With this new importance Canada's 200 million or more forested acres take on added significance. In wood Canada has a raw material supply which can last forever with proper conservation and reforestation.

Plywood Most Important

Of all the forms in which wood is serving on the war front plywood is probably the most important. Canada has been blessed with the "know-how" and equipment for turning out plywood in substantial quantities. Research by bodies such as the National Research Council and the Ontario Research Foundation has served to improve technique still further.

Plywood is finding its most significant wartime application (if not its largest use) in production of airplanes. Before the war the North American continent had a poor opinion of wood as an aircraft structural material. But plywood today is not only accepted for fabrication of first line planes but is actually challenging the light metals, aluminum and magnesium, for supremacy.

The full possibilities of plywood in the aircraft field are not known even yet. The amazing plywood plane, the Mosquito, turned out from Canadian plywood, is acquainting people more fully with possibilities.

Advantages of the all-wood plane are legion, "Timber" claimed, recently. The plywood plane will not "oil can" (dent) in the air, its construction does not necessitate riveting or overlapping of plates, thus reducing air drag, its surface is highly resistant to oil and water, bullets striking a plywood surface make clean holes instead of "flowering" as they do when striking metal.

Above all, wooden planes can be worked and repaired more readily than metal planes. A hole in a plywood plane requires only a simple wood and glue patch. Plywood is at least as fire-resistant as "dural" for planes.

Use of plywood for planes has saved huge quantities of aluminum and magnesium already. Saved, however, is perhaps hardly the right term. It is doubtful if the aluminum and magnesium could have been secured at all if plywood hadn't been available.

The Avro Anson, the Fairchild Cornell and the Norseman are other Canadian planes in which plywood construction, either molded or unmolded, plays a major job. Plywood construction on the Avro Anson alone has meant a saving of millions of dollars. It means not only less money for raw materials but less labor—both key factors at this time.

Many Other Uses

But airplanes are just one of a long list of places where plywood is doing a first class war job.

Invasion barges are being built of plywood covered with metal. MTB's — motor torpedo boats — and many of our wooden ships feature plywood construction; building of plywood cargo ships is being investigated. Laminated beams are being used to replace steel members on important war construction. So legion are the applications of plywood in wartime that the government has been forced to pass an order restricting its use to war work.

No Bottleneck Here

Taking a look at plywood production, you see why plywood supply hasn't a tight bottleneck when it comes to turning out materials for airplanes, ships and construction. Molded plywood is simply an assembly of veneers (thin wooden strips), built up in layers and bonded and molded to shape on a special form. Since the process commences with selection and preparation of veneers, well-equipped furniture factories have been able to undertake production. But even before the war Canada had a well-established plywood business to form the backbone for a continuous supply of plywood.

Equipment Simple

Equipment needed for turning out molded plywood for aircraft is not extensive, especially when plywood is made by pressure without using heat. General Motors, making Mosquito bomber bodies at Oshawa, uses no hoists, automatic jigs, riveters, welding or other mechanical equipment. Speed and skill are the two essentials.

For a time it appeared rubber might prove a bottleneck in turning out some molded plywoods but this bogey has been banished. The rubber bag, in which the glue and wood "sandwich" was placed together with the mold, has now been replaced by a Cellophane bag—made from wood by the way. A vacuum pump exhausts the air in the Cellophane bag just as it did with the rubber counterpart and the sandwich is pressed firmly against the mold by the tightening bag. The Cellophane bag has the added advantage of allowing visual inspection of the piece during molding. It stands up just as well as the rubber bag during subsequent heat treatment of the plywood assembly in the furnace.

New Techniques Help

Improved techniques have been brought into play in the use of wood generally as other materials have become unavailable. Huge structures are being built every day almost entirely of wood. This has been made possible by the use of an invention known as the Teco ring connector which spreads the load on a timber joint over practically the entire cross-section of the wood, bringing the full structural strength of lumber into play. Over 100,000 heavy-duty structures, of 600 types, have been built in the United States and Canada using this connector in recent years.

More than 700,000 ft. of wooden pipes are being used for airport drainage in Canada alone. At the North Bay airport a laminated type wood drain is being used.

Creosoted wood has been solving many problems, from its conventional job in railroad ties to culverts.

Miracles From Chemistry

Application of chemistry to wood has given us much more than paper, rayon, celluloid and Cellophane. Plexiglas, Safelex and Lucite—made out of sulphite woodpulp and urea formalin plastic—are employed in making windshields for planes, tanks and armored cars. They are in many ways an improvement on ordinary glass; they are lighter, do not splinter and can be cut, drilled or bent with ease. In comparatively small thicknesses — one inch and over — a high resistance to bullets and small shell splinters is secured.

In wartime plastics are used for bombing sights, shell noses, timing gears, machine gun drums, etc. Over-all uses of plastics are too numerous to mention.

Significant for After War

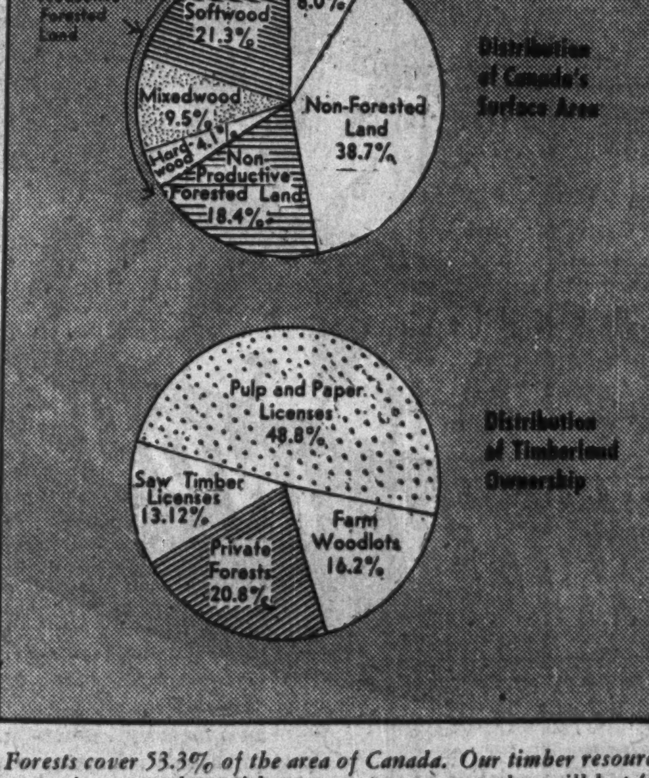
War has unquestionably speeded research on wood and adaptation of new uses. Many uses are of a war character but the majority of discoveries have broad peacetime implications. The era of the plywood plane appears to be still ahead. Plywood, both molded and unmolded, has a whole new field ahead in prefabricated housing.

Among plywood products in the blueprint stage for the postwar era are: cans for paint, oil, gasoline, acids, beer, etc., hand luggage, automobile body parts, furniture, fluorescent lighting troughs, book covers, refrigerator shells, culverts (cylinders up to 78 in. in diameter have been produced), molded walls, lifeboats, and as a replacement material for structural steel and concrete in low buildings.

Molded plastics which use synthetic resin are particularly desirable as a home construction material since the resin layer has a glue line which acts as a fire curtain.

Zinc chloride has been used for fireproofing all RCAF hangars. In peacetime this fireproofing will probably be used much more extensively in home building. In workings of mines timber so treated will resist rot and fungus growth.

Success attending the application of chemistry to wood so far augurs well for the future. Chemistry is finding in wood a material rivalling coal tar in the variety of products whose development is now indicated.



Forests cover 53.3% of the area of Canada. Our timber resources are so immense that, with proper management, they will last forever. And scientific developments, hastened by the war, have made them far more important, have shown that wood is one of the most versatile of all raw materials.

Production For Victory

— One of a Monthly Series —

Report for May — Transportation, Lumbering

Fresh Water Transport

Lake Fleet Strives to Overcome Winter

Vital Cargoes of Ore, Coal, Move Down World's Busiest Waterway

On May 10, 1943, a little noticed but important official action took place on the Winnipeg Grain Exchange. On that date the Exchange declared navigation on the Great Lakes officially open.

Actually, lake freighters do not wait for any such official action by the Winnipeg Grain Exchange before starting on the rush to carry as much wheat, ore and other cargoes up or down Great Lakes each season. But this declaration is nevertheless important as it affects contracts and is only authorized when it is known that harbors are free of ice.

This year's official declaration was the latest in 17 years and compares with the 1942 authorization which named April 20 as the official opening date.

A Big Handicap

In this simple fact of a late opening of navigation lies a very important condition which may well have a bearing on the eventual output of war equipment in Canada and the United States. For it is on the Great Lakes fleet that the iron and steel mills of the United States and Canada depend for their supplies of iron ore, coal, limestone and other primary materials which they use in such large quantities.

Last year the Great Lakes fleet established an all-time record when it carried 92.1 million tons of iron ore in a record-breaking season which opened on March 29 and did not close until the last iron ore cargo was unloaded at Cleveland on Dec. 17.

This year the original objective aimed at transporting 95 million tons of iron ore but up to May 1 the fleet was 6.7 million tons behind its standing on the same date a year ago. It is possible that this handicap may be overcome, aided by expected addition of 16 large ore carriers to the U. S. fleet, some of which will not be ready until midsummer.

No New Canadian Ships

So far as can be gathered, no new ships are planned for the Canadian lake fleet and, as a matter of fact, some losses have already occurred.

W. H. Coverdale, president of Canada Steamships Lines, Canada's largest lake fleet owner and operator, reported to the shareholders at the recent annual meeting that this company now owns 71 steamships, of which 59 are freight and 12 are passenger ships. He added that three canal-size steamers were lost last year by enemy action and that since the beginning of this year an additional ship has been requisitioned by the Canadian Government.

The war has brought important changes in the operations of approximately 700-odd vessels which make up the combined Canadian and U. S. fleets. Outstanding change is the removal of grain from its former premier position to a secondary role. In its place the wartime priority list has placed iron ore at the top.

The Office of Defense Transportation in the United States restored its permit requirements for the Great Lakes fleet allowing preferential treatment for ore cargoes on the lakes on May 5. Fuel of various kinds gets second priority, a classification covering coal and oil which moves in tank ships. Normal policy is for central Canada to import its coal, which comes almost entirely from the United States, during the summer months across the lakes during the navigation season, stockpiling it against the months when lake traffic is halted by winter weather.

Starting under the handicap of a late opening, the ships of the Great Lakes and St. Lawrence fleets are striving to meet their increased objectives for carrying iron ore, coal and other freight. Without this fleet, the war effort of Canada and the United States would be seriously handicapped. Its efficiency as a carrier of huge tonnages of bulk freight has made the Upper Lakes route the means of transporting more freight than any similiar waterway in the world.

Regulations Amended

Last year, and it is expected again in 1943, a number of ships which normally operated in the grain trade were required to carry iron ore. Maritime regulations of the United States were amended to permit Canadian vessels to carry cargo from one port in the United States to another port in the same country, in other words, to engage in coastwise shipping for United States account. This is a type of traffic normally reserved for ships of U. S. registry.

Two Traffic Stages

Broadly speaking traffic on the Great Lakes is divided into two sections. On the upper lakes and extending down to Lake Ontario, operate the large bulk carriers which move the greater portion of the grain, the coal and iron ore which makes these waterways carry a heavier rate of traffic in tonnage than any similar section in the world.

Then, limited by the 14-ft. depth of the canal system on the St. Lawrence River, are the smaller, canal-size ships which move freight down to the great ocean ports of Montreal or Quebec, or the Maritime Provinces. Carrying capacity of the whole system is limited by the depth of its canals, which in the upper lakes is 25 ft.

Even here periods of low water may prevent such huge freight carriers as the Lemoyne of the Canada Steamships Lines fleet from carrying its capacity in cargo. This situation will be helped, it is pointed out by engineers of the Hydro-Electric Power Commission of Ontario, by completion of the Ogoki diversion scheme. It is estimated that navigation on the Great Lakes will benefit by about $1 million annually as a result of these diversions being carried on by Ontario Hydro. It will mean an increase of 2½ in. in the Great Lakes level, a seemingly small depth of water but of great importance in the added freight carrying capacity it permits. These large ships are accustomed to navigating the canals at Welland or the Soo with only a few inches clearance for their hulls and an extra 2½ in. of water represents a considerable increase in tonnage which can be carried in each trip through these restricted waterways. High water levels this year will aid maximum loading of ships.

Diversified Traffic

About a year ago the Dominion Bureau of Statistics stopped publication of details on traffic through the various canals on the Great Lakes systems as a measure of national security. But the last available figures for May, 1942, illustrate the complexity and types of traffic which move through the Sault Ste. Marie, the Welland and the St. Lawrence canals.

They show, as might be expected, that wheat and other grains, iron ore and coal are far in the lead in tonnage carried. But they also illustrate that pulpwood, lumber, flour, copper and zinc, scrap iron, structural steel, stone, oil and gasoline, paper, wood pulp, sand and other items also bulk large.

In the month of May, 1942, 15.9 million tons of freight moved through the Sault Ste. Marie canals; another 1.5 million tons through the Welland canal and three quarters of a million tons through the St. Lawrence canals.

Operations Controlled

Lake shipping companies report important changes in their method of operation since the war started. Mr. Coverdale, for example, told his shareholders that had the company had unrestricted operation of its fleet under its own control earnings would have been substantially better although 1942 was the best year in the history of the company. He drew attention to the restricted operations and services beyond the company's control.

He was referring to control which Canada's Wartime Shipping Board exercises over the chartering of all ships owned in this country. Result of the working of this policy is that no Canadian ship owner can charter his ships, even to himself, without permission of the shipping board.

It is part of a larger scheme whereby ships are sent wherever the need is most critical. It means a grain company owning a few ships of its own cannot be sure that it can use its own ships to bring wheat down the lakes to Ontario ports where it is milled into flour. The shipping board may decide it is more important for the over-all war effort that this boat should take a load of iron ore to Hamilton or coal to Toronto or perhaps even that the ship shall be transferred to the ocean service after refitting as required.

Last year lake freighters were sunk by enemy action in the coastal waters around Canada. This year they are to be armed, too, for their own protection, in recognition of the risks they meet in wartime.

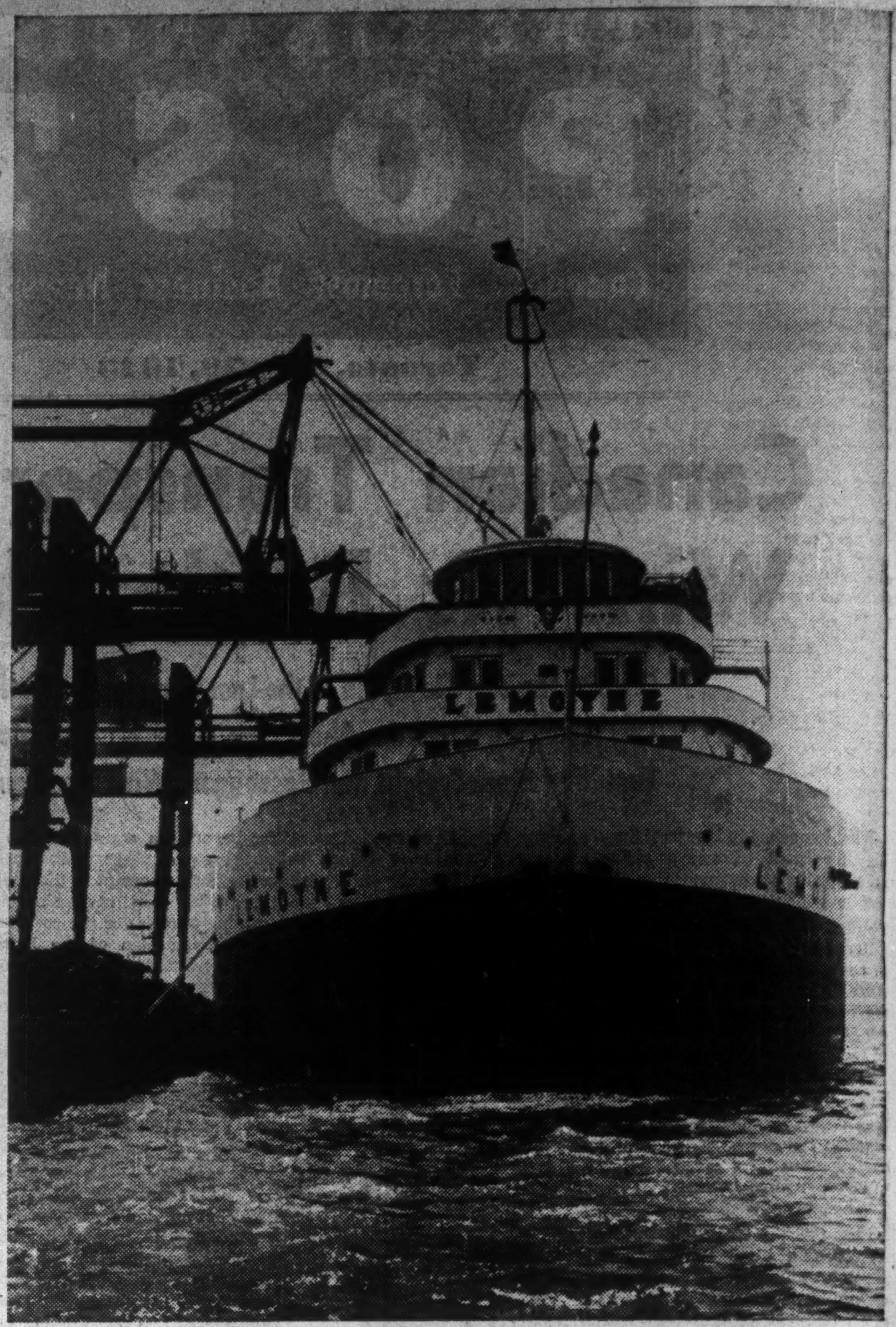
Passenger Traffic Declines

The passenger-carrying side of the lake traffic is less important than it was a few years ago and for a period carrying of passengers last year was restricted by order. A few years ago more than one American line used to provide regular passenger service from Lake Erie and Detroit river points to Lakes Michigan and Superior. Most of these services have disappeared or been modified.

Major passenger traffic on the upper lakes has been in the hands of two Canadian companies, Canada Steamship Lines and the Canadian Pacific. The former sails from the St. Clair and the Detroit river ports up the Great Lakes and the latter from Georgian Bay.

Also important is what is termed the package freight business, a traffic which moves an amazingly large percentage of the manufactured goods going from one port to another along the Great Lakes. Customary schedule calls for the smaller and medium sized boats to bring a cargo of grain from the head of the lakes to some port on Georgian Bay, Lake Erie or Lake Ontario. For return cargo they will pick up a load of package freight. The lake shipper classes everything as package freight which is not handled in bulk.

In a period when unusual demands on transportation systems require that every possible service be used to capacity, the Great Lakes system and its fleet of 750-odd ships assumes unusual proportions. Without it the war effort of both Canada and the United States would be seriously hampered.



Faced with one of the biggest freighting jobs in its history, and a short season to do it in, Canada's lake fleet is more active than ever. Here the LeMoyne, one of the largest freighters on the lakes, discharges iron ore.

Montreal Trams Wants Change

From Our Own Correspondent

MONTREAL.—Dismissal of union applications for obligatory employee participation in company's profits exceeding $15 millions annually, is sought by Montreal Tramways Co. in a brief submitted to the National War Labor Board.

This arrangement was entered into between the company and the union in 1940, but it is contended that the government ruling on the cost-of-living bonus "by necessary implication," subsequently cancelled the program.

Union applications for profit-sharing order were filed on widely separated dates. The first was filed in April, 1942, by the Syndicate Union and the second last month by the Canadian Brotherhood of Railway Employees and Other Transport Workers, now recognized as sole bargaining agent for company employees as a result of the recent strike.

In its brief the company claims that at the time the contract was entered into, the demand for a wage increase was refused. However, the employees sought protection against increases in cost of living. The company finally offered an increase of about 10%, which was accepted by the union, but not before further stipulations had been made for protection. As a result the company further agreed to include a clause providing for distribution of part of the profits.

Following a hearing, initiated by employees, the company, on Aug. 1, 1942, paid employees $321,724 under the profit clause. As from Jan. 1 last year a bonus of $1.80 weekly, plus subsequent additions, has been paid.

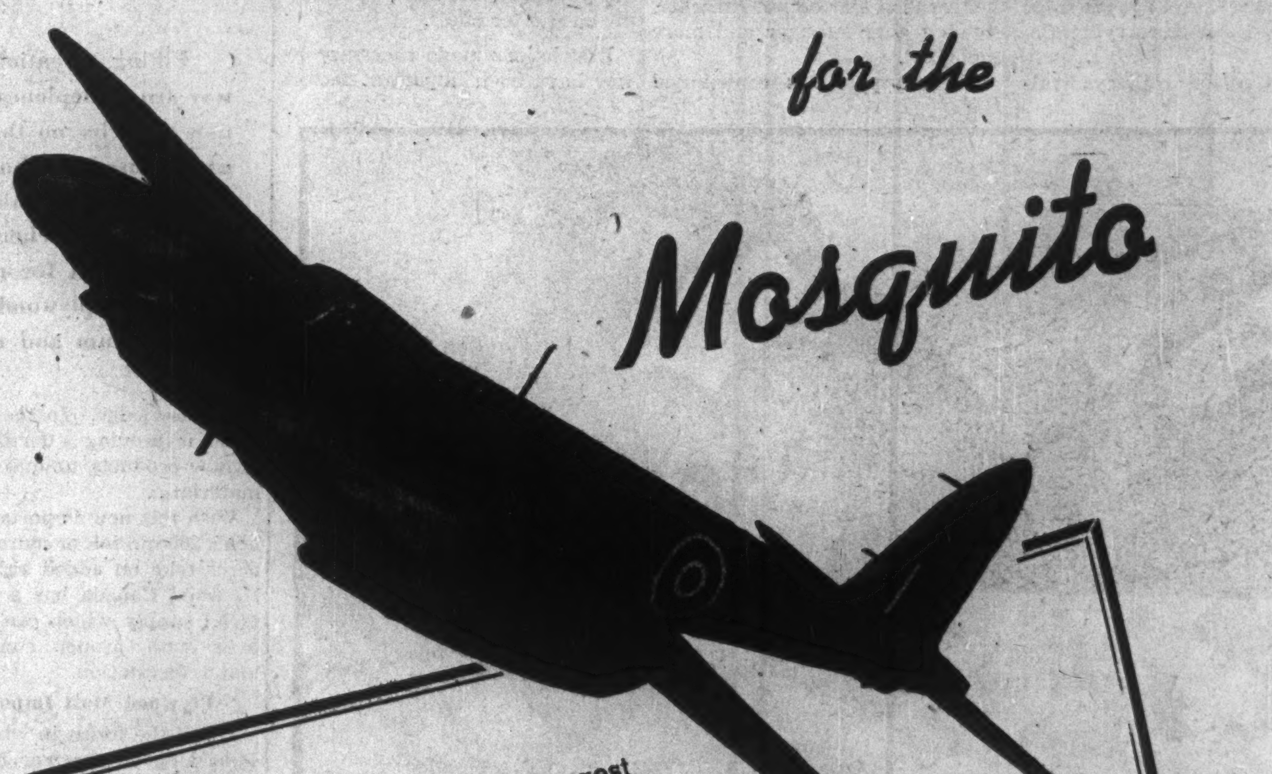
● No one group of men is more appreciative of the difficult transportation situation which T.T.C. and Gray Coach Lines face than the men of Industry.

Many war plants have instituted a system of "staggered hours" to relieve the pressure of peak loads. Some are assisting by selling car tickets on their premises. Many have established transit and information departments to work out wartime transportation arrangements for their employees and to consult with the T.T.C. and other transit agencies on traffic problems.

The pressure of traffic congestion is as great as ever. T.T.C. and Gray Coach Lines trust that Industry will continue and expand further its excellent co-operation for the mutual benefit of employer, employee and carrier.

TORONTO TRANSPORTATION COMMISSION

KROEHLER *Builds* WING SPARS *for the* *Mosquito*



KROEHLER, the World's Largest Furniture Manufacturers are devoting their large resources and equipment to the production of Wing Spars for Canadian-built Mosquito Bombers.

These speedy aircraft, which are now being turned out in large numbers, are giving splendid service on the fighting fronts, and will play a vital role in the forthcoming Allied offensive.

The Kroehler Company and Employees are proud of having a part in providing the Tools for Victory.

Many Parts For Other Aircraft Are Also Made in Our 10 Large Factories

KROEHLER *WORLD'S LARGEST FURNITURE MANUFACTURERS*

Rails at War

Our Railways Can Take It

Prove Equal to Huge Job War Has Given Them

A huge flood of war supplies moves smoothly and steadily toward Canada's ports. In contrast with 1914-18, there are no transportation snarls, no interruptions in service.

Accenting the efficient job the railways are doing is the fact that in 1942 they handled 50% more freight and 40% more passengers than in 1917. In 1917 there were periods of serious congestion.

Canada's railways, called on to assume a load never before equalled, had trying times in the period which preceded the outbreak of hostilities. The shrinkage in business brought about by the depression meant a shrinkage in freights, earnings and in the number of railway employees, as well as in equipment.

This was accentuated by diversion of short-haul traffic to the highway public carrier, plus a widening use of the automobile. Thus, just before the greatest need for railway service developed, there had been few new recruits in the skilled railway trades, and only a comparatively meagre acquisition of new rolling stock and locomotives.

The performance of the railways in such circumstances is one of the brightest features of Canada's war effort.

Influences on Traffic

Reasons underlying the enormous increase in the volume of passenger traffic are well known. Those underlying the increase in freight traffic are not so familiar.

In the first place, Canadian industry has expanded to an unprecedented degree. Adequate transportation by rail of both materials and completed products has proved vital to these development.

Second, the disturbance occasioned by the war to ocean, coastal and inland shipping has led to the diversion of a substantial amount of bulk traffic to the railways.

Instead of moving to the nearest seaport, as in peacetime, munitions of war and other exports destined abroad must be transported long additional distance by rail to shorten the ocean haul. Coastal shipping has been subject to severe restrictions, and the number of vessels plying on inland lakes and rivers has been greatly reduced.

Third, on account of gasoline rationing, the scarcity of rubber and various regulations limiting truck operations, much of the traffic which in recent years moved by highway has returned to the railways. This is largely short-haul traffic, which has necessitated the restoration of many local services and facilities.

These arrangements are regarded for the most part as temporary expedients to be abandoned upon the return of normal conditions.

Fortunately, the steady improvement throughout the last quarter of a century in facilities, road bed, motive power and rolling stock has enabled the railways to assume full share of the transportation requirements of the nation. Fortunately, also, the upkeep of all the properties was such that no major betterments have been found necessary to provide for the strenuous conditions of wartime service.

Women have in this war added railroading to the growing list of jobs they are doing.

A few comparisons of typical tests of efficiency will indicate the degree of advancement.

The carrying capacity of freight cars has increased substantially. Tonnage per car mile rose from 26 tons in 1917 to 32 tons in 1942. During the same period the average daily mileage made by all freight cars increased from 30 to 42 miles.

The combined effect of these factors has been to increase by 70% the utilization of freight cars.

Locomotive and train performance has shown an equally marked improvement in the last 25 years. In 1942 the freight train load was 1,711 tons, nearly one third greater than in 1917, while freight train speed between terminals, including all delays, was almost 17 miles an hour, an increase of 60%.

Measured in gross ton miles the work per hour performed by the average freight train in 1942 was twice that of 1917.

In 1942 freight locomotives required one third less coal than in 1917 to do an equivalent amount of work, a saving of no less than 1¼ million tons in the year.

Mobilize All Resources

Conservation of manpower and materials, desirable in peace but essential in time of war, has resulted from these achievements. In 1942 the number of employees on CP railway and inland steamship lines, for example, was approximately the same as it was 25 years earlier, but the system they operated consisted of almost 3,000 more miles of line, and the traffic they handled was greater by nearly one half.

These results have been achieved in the face of many handicaps. It has been necessary to get out of every railway worker and every piece of equipment the maximum service.

Scores of old locomotives which ordinarily would have been considered as beyond further usefulness and replaced by new locomotives were reconditioned for service. More than 100 such engines were redeemed by the CPR. Some of them were built in the hopeful days at the turn of the century and played a big part in building up Canada when the flood tide of immigration was filling the prairie provinces. All of them were on the rails before 1912 and ran many thousands of miles in contributing to Canada's war services between 1914 and 1918.

Back Into Service

Old-time engineers have been called back into service. Roderick MacLeay, for instance, a retired CNR engineer who had the "International" run between Montreal and Toronto, has re-entered the service as instructor of enginemen at the Turcot roundhouse.

Under normal conditions railwaymen retire at 65 years of age. Under wartime conditions this railway rule is broken frequently. Since the start of the war both the CNR and the CPR have been granting extensions to certain employees desiring to help the manpower situation, provided they are physically fit.

A good example of this fact can be found at the CNR"s Point St. Charles motive power and car shops, in Montreal, where 2,500 men are employed in maintaining rolling stock. To date 60 skilled machinists and mechanics are working under extensions.

Women Also Help

At National Railways Munitions Ltd., a naval gun manufacturing plant operated by the Canadian National Railways, 70 of its employees are veterans of the first Great War; 13 are veterans of the present war; and seven are veterans of both wars. In addition, several retired CNR employees have become workers at this plant.

To help the manpower situation this plant also employs women workers to operate drilling, milling, honing, boring and slotter machines, overhead cranes, band saws and shapers, and to do bench work. The women workers now number 150, out of a staff of 1,200.

The story of the CPR follows along parallel lines. Old-timers coming back to the engine cab, the roundhouse or the shops; women taking over the jobs that once were the sole prerogative of the male.

Organize for War

To speed up the movement of freight in industrial yards, the railways have co-operated with industry and government in laying out trackage to serve the numerous war plants that have been established.

The railways were faced with the problem of keeping these industrial yards clear of materials awaiting overseas shipment and of releasing freight cars for immediate service. The solution was found in the establishment of storage yards where all such materials could be held, awaiting the arrival of convoys and transshipments.

These storage yards have proved invaluable in speeding the flow of munitions and war supplies overseas. Vast quantities of supplies are kept under constant guard in these yards until shipping instructions are received. When these arrive great cranes move into the yards, load the materials into cars and fast freight trains roll them to the seaboard.

Many Demands Made

Canada's war effort makes many other demands upon the railways. Trained personnel have been loaned to the government for specialized jobs. The railways have even helped in the selection and expropriation of land required for war plants, air fields, air training schools, location of beacons and other aids to aerial navigation.

The magnitude of these land operations will be realized when it is known that more than 200 square miles of property have been involved in transactions initiated and completed for the Federal government by the CNR alone.

Gatineau Bond Plan Approved

Public Service Board of Quebec has issued an order authorizing Gatineau Power Co. to call for redemption $3 millions of its presently outstanding 5% debentures and replace them with a new issue of serial debentures.

The company will issue $3 millions principal amount of 3¾% serial debentures, to be dated June 1, 1943, to mature $600,000 on June 1 in the years 1944 to 1948 inclusive. Principal, interest and premium will be payable in Canadian funds only. The new debentures will be sold at 101½.

In authorizing the issue, the Board has ruled that no funded debt may be created by the company unless its available income is not less than one and one-half times the interest charges on all interest-bearing obligations. Moreover, the Board restricts payment of dividends to an amount not exceeding the net available for dividends.

Breakdown of Income

Particulars now available as to the sources of the company's income for 1942 show that of the gain of $414,000 in total revenue, Ontario Hydro contributed about $60,000; other electric systems, $23,000; other power sales, $216,000; transportation, $42,000 and other income $15,000.

TRAVELLING
Light

Urgent war demands have greatly accelerated the use of light-weight metals. This is especially true in aircraft.

In the world of tomorrow, these metals increasingly will reduce dead weight without loss of strength, in other types of transportation.

The vastly expanded production of magnesium metal will make "travelling light" a commonplace reality.

The full facilities of our modern foundries are now engaged in the production of aluminum alloy and magnesium "ELEKTRON" castings.

When Victory comes, the experience and technical knowledge gained in making the most intricate light metal castings, will be ready to meet industry's most exacting needs.

THE ROBERT MITCHELL COMPANY LIMITED
Foundries: ST. LAURENT, P.Q. 1851—1943 Factories: MONTREAL, P.Q.

"Victory will come more swiftly on wings of magnesium"

Portrait of a **WAR HORSE**

Helping to win the war are giant war horses like these . . . being produced by C.L.C. craftsmen in ever increasing numbers to meet emergency demands. Efficient transportation is vital to Canada's war effort and C.L.C.'s vast plant is geared to the task of "keeping 'em rolling".

CLC also manufactures
MINING AND METALLURGICAL EQUIPMENT
AKINS CLASSIFIERS • SELECTRO VIBRATING SCREENS
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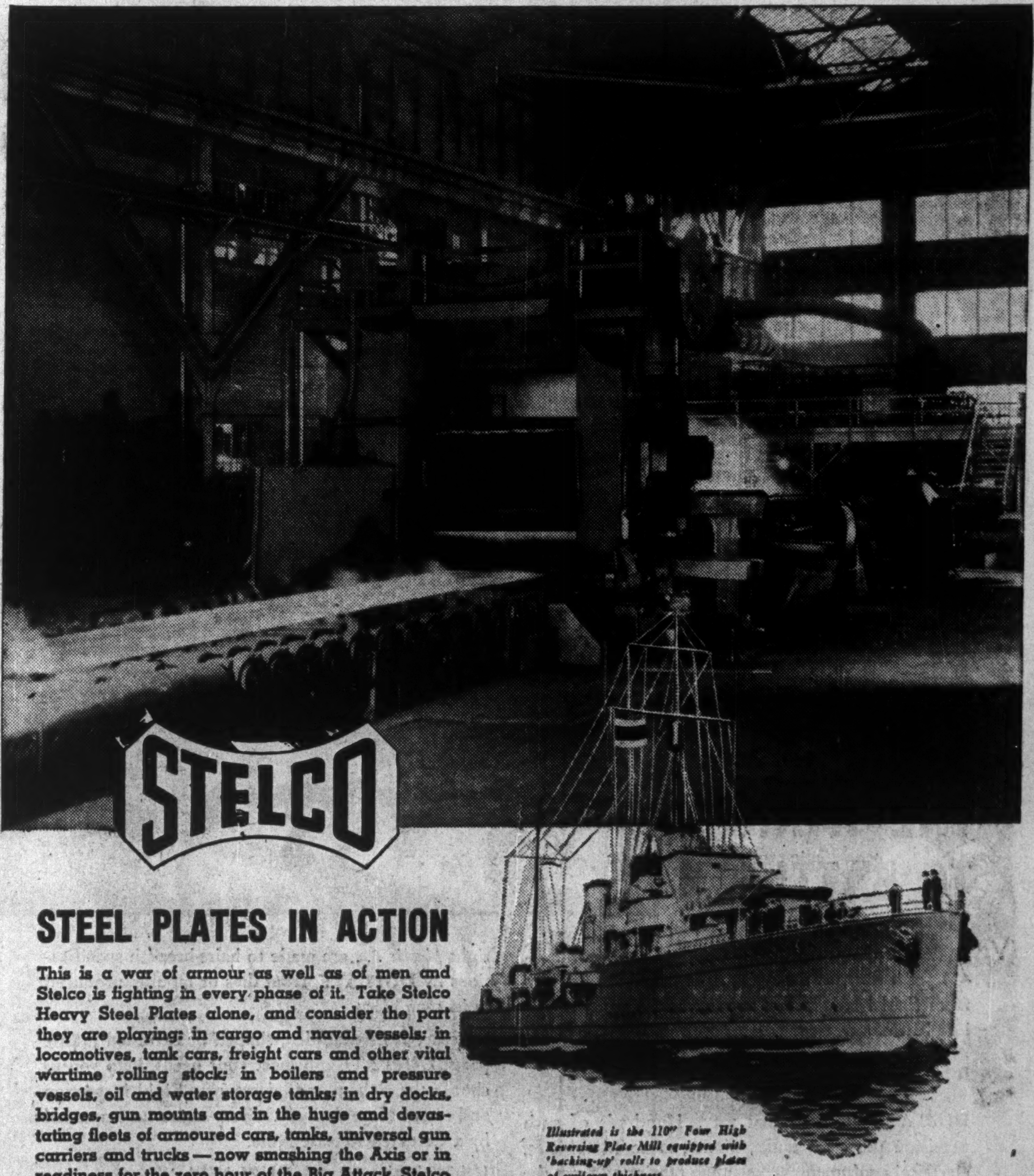


STELCO

STEEL PLATES IN ACTION

This is a war of armour as well as of men and Stelco is fighting in every phase of it. Take Stelco Heavy Steel Plates alone, and consider the part they are playing: in cargo and naval vessels; in locomotives, tank cars, freight cars and other vital wartime rolling stock; in boilers and pressure vessels, oil and water storage tanks; in dry docks, bridges, gun mounts and in the huge and devastating fleets of armoured cars, tanks, universal gun carriers and trucks — now smashing the Axis or in readiness for the zero hour of the Big Attack. Stelco Plates are in action in war; they will be in action in peace, ready to meet all post-war needs.

Illustrated is the 110" Four High Reversing Plate Mill equipped with 'backing-up' rolls to produce plates of uniform thickness.

THE STEEL COMPANY OF CANADA, LIMITED
HAMILTON - EXECUTIVE OFFICES - MONTREAL
SALES OFFICES: HALIFAX, ST. JOHN, QUEBEC, MONTREAL, OTTAWA, TORONTO, HAMILTON, LONDON, WINDSOR, WINNIPEG, VANCOUVER
WORKS: HAMILTON, MONTREAL, TORONTO, BRANTFORD, LONDON, GANANOQUE

National Planning

Cutting a Postwar Pattern For Canada

Planning Now Will Help Eliminate Confusion

The keystone of the entire postwar structure is assurance backed by public opinion, by both the Government in power and the Opposition, that national income and employment must and will be maintained at or near present wartime levels. With such assurance, private enterprise, confident of its markets, can boldly make plans for production. Without it, indecision and chaos will result. So declared H. G. Cochrane, Department of Munitions and Supply, in a paper on the postwar pattern presented before the annual meeting of the Engineering Institute of Canada.

Mr. Cochrane said that making a pattern for postwar production involved the study of available human resources, broken down by skill and location, of material resources and potential rate, of extraction, of plant capacities and suitable peacetime uses to which they must be put, of transportation, taxation, rate of demobilization, of built-up backlogs of unfilled wants in durable goods, plant improvement, retooling and expansion as well as residential and commercial construction and many other related items.

A shelf of public works must be prepared and ready to be built at public expense as and when a drop in employment and national production threatens as it may either during the tooling up period for peace, or when the pent-up demand for goods and services slackens.

General Electric Plan

Much of Mr. Cochrane's paper was based upon a translation into Canadian terms of the approach to postwar planning made by R. P. Custin and S. A. Holme of the General Electric Co., Schenectady, N.Y. (Financial Post, Sept. 19, 1942). This American survey determined that:

(1) In 1940 (a pre-war year) it required $22 worth of capital goods production to generate buying power to support $78 production of consumers' goods and services;

(2) For 1943 (the peak war year) they estimated around $45 capital goods production to support $55 worth of consumers' goods; and

(3) For postwar year, two years after victory, $30 of capital goods production to support $70 worth of consumers' goods.

Assuming that victory comes in 1944 Canada will need some 1,350,000 workers for capital goods production by 1947 should national income be maintained at $7 billions. Jobs will have to be found for around one million displaced war workers and demobilized armed forces. An engineer here attempts to indicate what the postwar pattern of Canadian business might be. His main themes are that there should be preparation now and that this is just as much a job for private business as it is for Ottawa.

Canadian Picture

Mr. Cochrane developed his theme stating that the actual ratio for Canada for (1) pre-war year, can only be estimated very roughly from statistics available, but it would appear to be nearer $35 capital goods production supporting $65 of consumers' goods production. The estimated Canadian ratio for (2) will not differ widely from that for the U. S. in the peak war year.

Mr. Cochrane states that it is difficult to visualize a ratio for a postwar year for Canada, similar to that suggested for the U. S. in the General Electric plan as in (3) namely $30 capital goods to $70 consumers' goods. Assuming expenditures on security and for help for undeveloped countries to the same proportion of total production as for the U. S., and a continuation of gold production on a pre-war scale, with a gross national output of $7 billions and a maintenance of the $35 capital goods to $65 consumers' goods ratio which appears to be about standard for peace and war conditions so far, would call for expenditures per year, say three years after victory in Canada, somewhat as follows:

	Millions of $
Security, say	450
Help for other nations	200
Precious metals production	200
Inventory expansion	500
Replacement, expansion & tooling of plants	630
Homes	560
Public works	335
Durable goods	770
Consumer goods	3,340
Total	7,000

Employment Needed

In June, 1941, there were 2,865,000 Canadian wage earners. There was a 20% increase from October, 1941, to date, making a present total of roughly 3,460,000. Adding the employment in the armed forces of say 750,000, gives a total of 4,210,000. Mr. Cochrane assumes a reduction of 10% in this total for postwar years two or three years after victory as was done in the General Electric plan, so that there would then be some 3,800,000 in employment or remaining in uniform for 1946-47 and producing $7 billions worth of gross national production.

Capital goods production according to this estimate would be $2.25 billions, the components thereof, assuming proportions similar to those used for the U. S., being $335 millions for public works, $560 millions for private construction of homes, perhaps $105 millions of plant construction and expansion, $525 millions of equipment, machinery and tools and the balance on inventory expansion and precious metals production. Dollar volume of construction contracts would then be around $900 millions to $1 billion, machinery and equipment another $700 millions.

Mr. Cochrane estimates that resulting employment would be around 1,350,000 for capital goods production while for construction and equipment only an employment of 900,000 in proportion of perhaps 320,000 on-site and 580,000 off-site. Mining and manufacturing account for another 500,000.

One Third Constructing

Thus roughly, one third of the potential output of the entire labor force would be devoted to the construction and equipment of permanent structures, factories, housing, roads and the like. Mr. Cochrane points out that there are to be $335 millions annually provided from the Federal purse for public works, while $1.2 billions, slightly over three times as much, would be financed and built by private enterprise.

This then, declares the author, is a pattern of postwar production and employment for Canada, say three years after victory, with national income maintained near war levels, and inflation averted through the retention of whatever wartime control may be necessary.

Intervening Period

However, Mr. Cochrane points out that during the intervening tooling up period between victory and stability, it will probably be necessary to devote greater expenditure to public works. In attempting to estimate the number of peacetime jobs that must be found, Mr. Cochrane assumes that there are 950,000 warworkers in Canada, 200,000 of whom are women, and around 750,000 men in uniform.

Assuming 200,000 will be kept in uniform, that 175,000 warworkers will be retired and another 125,000 remain on war production, this would leave 1,200,000 for whom peacetime jobs must be found. Perhaps as many as 200,000 of these will be needed to supply sufficient additional consumers' goods and services so that our standard of living may be brought back to pre-war standards. This would leave one million to be immediately absorbed into peacetime employment and capital goods production.

Mr. Cochrane declares that how fast private enterprise will absorb that number can only be guessed, but it is certainly going to be necessary to provide funds for employing somewhere between this number of one million and the 200,000 or so on-site and off-site workers to be ultimately engaged in producing $335 millions worth of public works for a year or so.

Need War Substitute

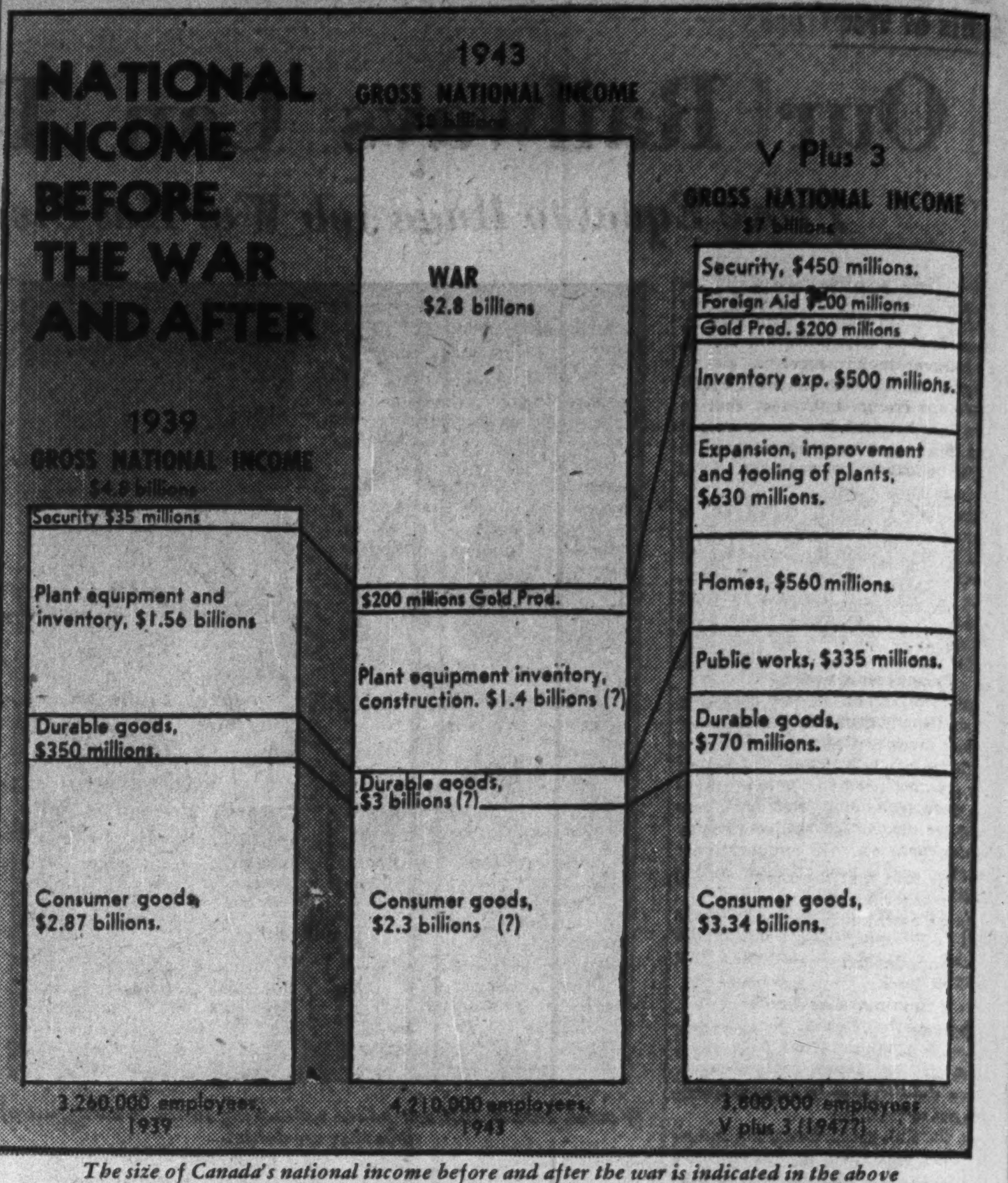
He points out the enormous activity of wartime cannot be maintained through any automatic rise in living standards. There is needed a powerful economic and moral substitute for war, when it is over, to provide the impetus to keep the economic machine going. Stimulation may have to be artificial, but it must be expressed to a great extent in construction activity at first. This indicates the need for having a planned program of public works ready to take up the slack until private industry gets tooled up and ready to use them.

A subcommittee of the Committee on Postwar Reconstruction has already drafted a standard project questionnaire, based on ideas gleaned from contractors and engineers from all parts of Canada, ready for use the moment a central organization is set up to receive returns. As these replies come in they will presumably be analyzed and reduced to common terms, inspected and passed on or rejected, evaluated in terms of quantities of principal materials and manhours of various skills, needs for equipment, power, fuel and transportation assessed and scheduled for time. Summaries of these items can then be equated to known output and inventories, and a balance sheet of shortages and surpluses made.

From here on, says Mr. Cochrane, the committees on conservation and conversion of war plants could take a hand. Here there is held to be scope for vision and realism in seeing the need for, and the possibility of providing substitute materials where scarcities exist or where savings can be made. The National Research Council should be invited to sit in on these deliberations.

The longer term prospects for employment following victory after the first two or three years of readjustment are over, seem to be tremendous, according to Mr. Cochrane. Enormous backlogs of unfilled wants have been building up. By the end of 1944, the very earliest that normal production is likely to be resumed, there should be backlogs of 500,000 autos and trucks, half a million radios, $200 millions worth of construction equipment and farm machinery, half a billion dollars worth of electrical

(Continued on page 20)



The size of Canada's national income before and after the war is indicated in the above chart. Distribution of the income has been patterned after a similar U. S. study.

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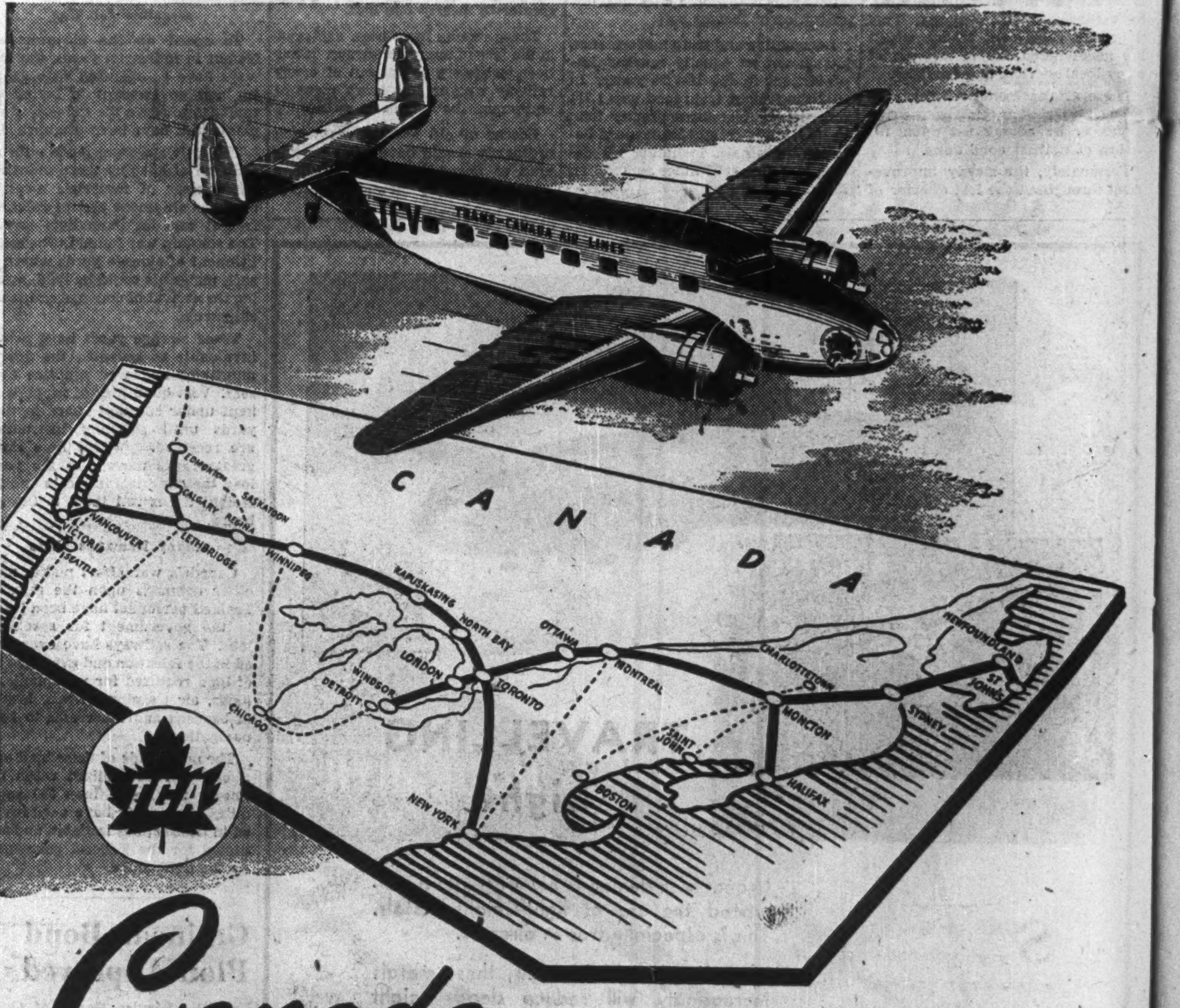

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Freighting on the Highways

Truck Transport Industry Plays Important Role

By JOHN N. NICKELL

Editor, Bus and Truck Transport in Canada

Government control has restricted and complicated Canadian highway transportation but, in so doing, has made the public more aware of the services and has produced a healthier industry.

Control of truck operation, divided into private ownership class and common carrier or over-the-road hauler, started with the common carrier, in the form of a request from the administrator of services for voluntary curtailment wherever possible.

Considerable pooling of shipments was worked out by the industry, but in December, 1942, the administrator admitted that these savings were not sufficient and told operators that their business methods were not sound and that greater curtailment of truck use had to be made.

He said that the rubber situation was so serious that drastic economies were essential to assure truck services for the future. The controller of supplies froze new tires in operators' hands, limiting them to tires for running wheels of vehicles and one spare for each. New tires could be bought on permit from the controller by classes of operators performing essential services.

Gasoline rationing for commercial vehicles went into effect last April. All classes of commercial vehicles were either rationed or placed on a regulated basis, allowing travel to the extent operated previously, in most cases.

Some classes of common carrier, such as livestock haulers, contract carriers and furniture movers, were restricted to a predetermined number of miles representing a reduction in previous operations. If more gasoline was desired, these restricted operators could submit applications for extra allowance to the administrator of services. Proof that the goods they were hauling could not be hauled by other means was used by the administrator as a criterion of extra gasoline needs.

Routes Reduced

Truck collection services used in the transportation of milk and cream from producers to dairies and processors were singled out by the administrator for reduction of routes, schedules and changes in customers and outlets. Duplication and cross-hauling have been cut down and greater co-operation by operators has resulted.

Curtailment of private truck operations was urged by the administrator for some months prior to Order A-314 issued in August, 1942. It required permits for operating more than 35 miles from registered address of vehicles. This did not apply to public or for-hire vehicles, farm trucks or vehicles operated in public services.

Faced with necessity for saving gasoline and tires, and at the same time of carrying more freight, Canada's motor transport industry has done a notable job. Duplicate routes and cross-hauling have been cut down, there is a new co-operation among operators, and in spite of the restrictions and complications brought by war the industry today is in a healthy state.

The administrator's aim was to have every private truck operation examined.

Industries representing large numbers of private trucks protested, but the administrator insisted that the order apply or that sufficient justification be given for the granting of permits to exceed the limit. Thus these industries dug into individual operations, contrived pool and organization of deliveries to effect economy of thousands of tire miles.

Delivery Experiment

In December, 1942, WPTB used the city of St. Catharines, Ont., as a guinea pig to test a retail delivery pooling plan, which was later recommended to large communities throughout Canada. In April, 1943, the administrator said the national over-all savings in retail deliveries had reached 25% during a period of increased sales and rationing of private passenger car driving.

Bread delivery economizing resulted in a saving of 10 to 15% in number of routes. Wholesale deliveries were cut 250 million truck miles per annum.

The exigencies of war have been borne by truck operators until the entire industry is on a sounder operating basis. W. M. McCutcheon, present administrator of services, has promised operators more stringent control and the rubber controller has warned that no new rubber will be available for civilian truck tires.

Production of synthetic rubber has progressed rapidly in the United States where officials expect that supplies of crude will last for military and essential needs until synthetic is available. They even suggest that sufficient synthetic will be available for essential civilian truck services.

September, 1943, is looked to as the beginning of synthetic rubber production in Canada at the Government-owned plant in Sarnia, but this is earmarked for military needs. Synthetic rubber formulae are not expected to produce rubber for doing truck hauling services. The Government did release reclaim rubber to mix with a small amount of crude to produce a "Victory tire." Unfortunately, this tire does not stand up very well under heavy truck use.

Production Stopped

Since May, 1942, truck production has been stopped and all new trucks have been bought from a supply in dealers' hands on authority of a permit from the motor vehicle controller, granted to operators doing essential services, after convincing the controller that there was no other way to handle the service.

In February, 1943, the motor vehicle controller saw that some new trucks had to be produced so released sufficient materials for production of 3,600 commercial units, by three manufacturers. These are going to dealers for resale to permit holders at a slightly increased cost.

An immediate problem threatening to tie up trucks is a shortage of parts. Many operators have units out of service due to repairs. Production of parts is controlled on a previous production percentage basis. Manpower shortages are quite serious but have not stopped services.

The common carrier has been declared an essential industry under terms of national selective service, thereby increasing the flow of new men, even though they require considerable training. Training courses have been fostered by the industry, but little result has accrued to date.

Essential Industry

The administrator of services has declared the trucking industry, particularly common carriers, essential to war production. On April 15 he told the Canadian Industrial Traffic League, Ontario Division: "Interurban motor transport is an integral part of the production line of munitions of war and a breakdown of services rendered would be quite as serious as a breakdown in the conveyor system of a modern industrial plant designed for war production."

Mr. McCutcheon told the traffic men that the over-the-road hauler carried twice as much broken lot shipments in 1942 as the railways. This has been taken by operators as indication that their services will be given fair consideration by the administrator in the future.

War conditions in the transportation of people by bus, both interurban and urban, are more serious. The Department of Munitions and Supply, through Transit Controller George S. Gray, has exercised supreme direction of this industry.

At the outbreak of war these facilities exceeded public demands. Many operators had equipment idle. Considerable increase in employment and the advent of gasoline rationing changed this picture radically. In time the Government recognized the seriousness and the transit controller urged voluntary curtailment in routes, schedules and use of equipment.

Accustomed to obtaining new equipment quite readily from the United States, operators were surprised to find that material shortages and demands for vehicles in the United States, combined with Foreign Exchange Control Board regulations, stymied this practice. Transit control bought bus equipment with Government funds, to be released to areas deemed most in need, upon the understanding that the vehicles could be conscripted for use elsewhere if needed.

Staggered Hours

Demands for public transportation services increased rapidly, particularly in industrial areas, until the movement of people became of major importance in the scheme of war production. In large cities such as Ottawa, Toronto, Winnipeg and Vancouver, the controller sought staggering of working hours by large stores and companies with the result that riding was spread over periods when the movement of workers was at a low ebb. All buses were licensed to operate by the controller and urban systems were forced to consolidate or eliminate many routes and services.

Construction of war plants and military establishments in places not previously reached by public transportation created the need for bus services which had to be served by the relatively same supply of vehicles formerly required in normal services. Answering this problem, the Transit Controller endeavored to so curtail urban services as to guarantee adequate service to these new areas.

Passengers carried by urban systems are, in the large areas especially, many times the pre-war levels, with promise of increase as private car driving get hit further.

As part of the answer, the Transit Controller introduced the Wartime Industrial Transit Plan whereby workers willing to carry fellow employees are granted extra gasoline. This plan has been adopted quite generally due partly to ready cooperation by employers.

Within the last few months some buses have been filtering into service and the urban situation has a good chance of meeting demands, even though overcrowding is here to stay for a while. By his actions, the transit controller has indicated that these services will be given the greatest possible consideration in the matter of tires and gasoline, even though he has insisted on the greatest care in their use.

Bus Travel

Interurban bus services were not restricted by the transit controller, except to request voluntary curtailment, until December, 1942, when he confined this travel to a continuous journey of not more than 50 miles. This order means a reduction of about 50% in revenue and volume. Despite heated objections by some operators, Mr. Gray insisted that bus routes duplicating railways be eliminated even more than had been done previously.

His declared object was to preserve the interurban bus for servicing short-haul passengers and to guarantee some measure of transportation for people resident in rural areas, for whom rail service was not available or suitable. This shrinkage meant the operation of considerably fewer schedules and almost eliminated long-haul travel.

Operators were allowed to seek permission to carry passengers more than 50 miles on routes where they could prove that rail duplication or other conditions prohibited travel by rail. Many operations were restored on this basis, even though large numbers of interurban buses have been transferred to service to war industries or put away for future needs.

Public travel generally has been discouraged by the Government, even though a huge increase in money in circulation has made people want to travel more than normally.

Highway transportation of all kinds has been a victim of wartime shortages, as well as just plain excessive demands for services. The outlook for next year is not unfavorable. Even though future Government control will probably extend along the lines previously set out, the highway transport industry has a good chance of emerging with full honors as a mature transportation factor in the postwar period.

Malartic Gold Fields turned out $504,520 from milling 63,661 tons of ore in the first quarter of 1943, close to $20,000 more than the average quarterly output of 1942. Operating costs were high during the quarter as extra farm labor was available which was used on development work. This labor supply, along with operating costs, will be reduced when the farmers leave in the spring. The mine will be in excellent position for extended production even if development has to be suspended entirely, General Manager J. P. Norrie, states. In the No. 2 mine nearly 1,000 ft. of ore (937 ft.) was opened up in 1,236 ft. of drifting and crosscutting from No. 2 mine shaft while approximately 500 ft. of ore was reported opened up in the No. 1 shaft area. Greatest lengths of ore opened were on the second level of No. 2 shaft.

Ontario Nickel Corp. shareholders were informed at their annual meeting that development results on No. 1 and No. 2 ore bodies showed better widths, lengths and values than were indicated by preliminary diamond drilling. Widths of 15 ft. of ore have been shown in No. 1 body by preparations for stoping. Plans are now going ahead for installation of crushing equipment and management states shipments are expected to be under way within 30 days. Directors are: T. M. Mungovan, J. H. Adams, J. R. O'Neill, A. L. Herbert, G. E. Buchanan, W. G. Chipp.

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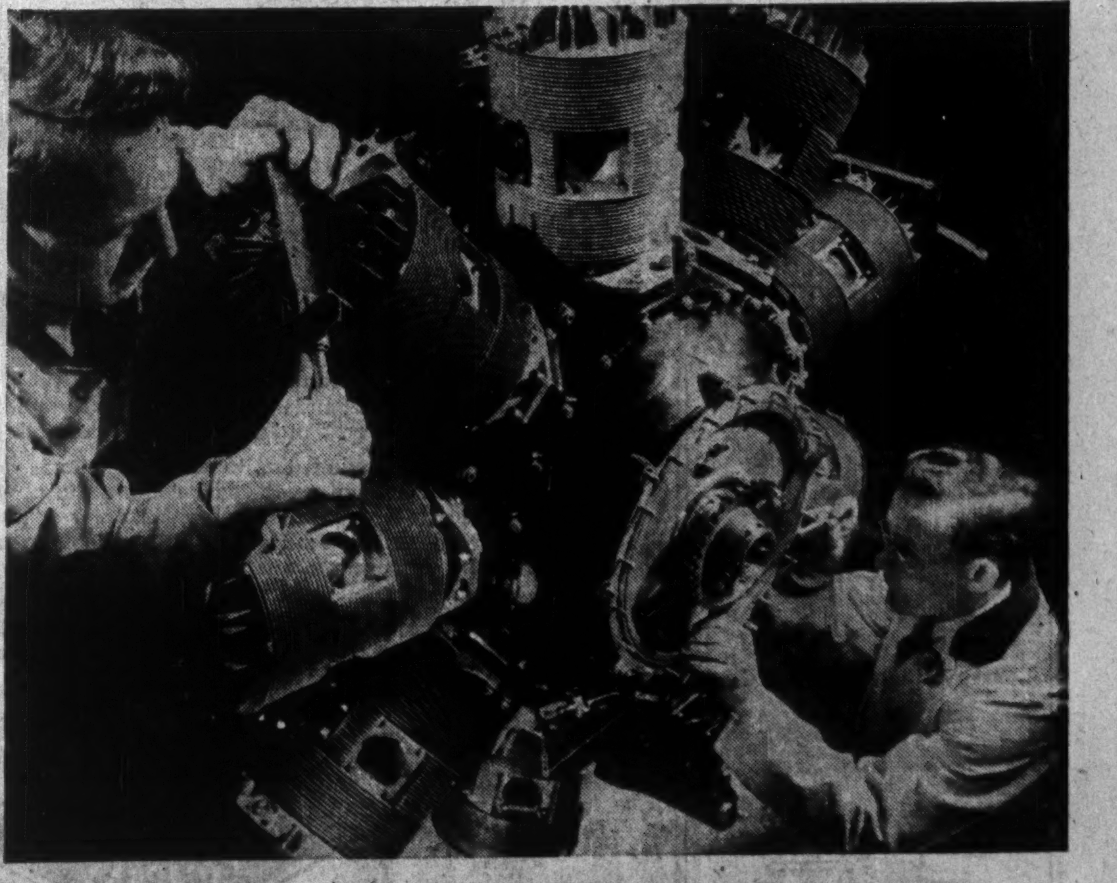

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Modernized Education

New School Deal Urged

Survey Finds Education Outlay Should be Doubled

Here, in brief, are the recommendations proposed by the committee under the auspices of the Canada and Newfoundland Education Association which recently completed a detailed study of Canada's educational problem:

Salaries of Canada's school teachers are far too low, and the health of children in many schools is being neglected, according to a recently-completed survey into educational methods in Canada. Total new costs annually of "moderate" program of improvement would be $144 millions above the present yearly expenditures of $146.8 millions, with a capital payment of $59.2 millions. On the basis of the survey there are recommended some far-reaching schemes to raise the Canadian educational standard.

Canada's educational system needs in addition to the present yearly expenditures of $146.8 millions an outlay of $144 millions annually and a capital sum of $59.2 millions if it is to serve with complete effectiveness the expanding needs of the country, according to a nation-wide survey made by a committee under the auspices of the Canada and Newfoundland Education Association. Only half the amount considered necessary is now being spent, the group found, citing the salaries of teachers as one major item needing an immediate upward adjustment.

"Today, as often in the past, the departments of education are pointing out that national progress and vigor depend upon continuous educational endeavor," the report of the committee's findings states, adding that in recent years there has been an interprovincial pooling of interests and ideas to an extent not generally realized.

"As the survey proceeded the conviction grew that the maintenance of provincial autonomy is by no means incompatible with progress and national improvement," the report continues. It does not favor a transfer of responsibility for education from provincial to federal authorities.

"Provincial departments of education are by no means complacent or reactionary. They have taken the lead in detecting weaknesses in the schools and in moving toward improvement. . . . Public education in Canada has not been content to follow public opinion but has anticipated it. In many cases it has molded that opinion, sometimes deferring to it until sufficient popular support has been accorded for effective reform."

The committee's findings underline the fact that while the financial question is of vital importance, lack of immediate money need not hinder progress. It is felt that plans provide for "sectional" advances, since educators are accustomed to making changes when and as funds become available.

The outstanding immediate needs are:

Health examinations and follow-up treatment for all children.

Increased grants more nearly on the basis of need.

Better selection, more adequate preparation of teachers.

Higher salaries.

Adequate programs, especially in secondary education, regardless of locality.

Larger units of administration.

Better buildings.

Special schools in agriculture, technical subjects, etc.

Complete "practical" education.

More programs of counselling and guidance.

Additional supervision and assisting teachers.

Added library service.

Scholarships for brighter students leading to higher education.

Transportation in rural areas.

Part-time education between the ages of 16 and 18.

Three conditions are held to be inescapable in any plan for the improvement of present educational policies and facilities:

1. The extension of publicly owned education will cost very much more than Canadians are now spending on it.

2. The money must be secured where it is available.

3. Additional funds should be spent where needed. To provide education at equal levels in all parts of all provinces constitutes a major problem.

The urgent need of further financial aid is emphasized by the fact that the most important source of revenue of school purposes, the tax on real estate, is no longer in many cases sufficient. Also, assessed values are stated to be not yet properly equalized. Some scheme of equalization, it is declared, must be established.

School curricula, which have in recent years been under revision in nearly all areas, are found to be marked by two opposing tendencies. One is the belief of many that the traditional school courses are basic, but need variation or revision. The other is a tendency to set up competing programs, one termed "cultural," while the more vocational courses are called "practical" or "utilitarian." The position taken by the report is that the two objectives must be combined.

Total new costs of the recommended program are outlined as follows:

	Annual	Capital
Health	$20,200,000	....
Administration:		
Supervision	1,000,000	....
Equalization fund	38,000,000	....
Construction	....	$44,260,000
Transportation	2,000,000	....
Later leaving age	10,000,000	....
Personnel: Chiefly salaries	39,000,000	....
Curricula: General	32,650,000	....
Advanced work	....	15,000,000
Adult Education	1,150,000	....
Total	144,000,000	$59,260,000
Grand total	$203,260,000	....

Teacher Shortage

The teaching profession is finding it increasingly difficult to attract and maintain the best young people who graduate from schools and universities, according to the findings. Wartime conditions have also created a shortage and it is felt inescapable that if the Canadian people want the best minds and the finest spirits to train their children they must pay the teachers at scales above those of skilled and partly skilled labor.

There are, it was found, two distinct types of teacher: those engaged in the work temporarily and those who have taken it up as a life work. Each does valuable work and discussion of salary scales which would be fair to both arrived at a median wage of $1,321 annually, which would mean an annual added cost of $39 millions.

Today educational opportunities in different areas vary widely. In 1936 expenditure per child was as low as $35.37 a year, while in another it was $80.24. The average was $57.18. In 1936 for 38% of total pupils an annual expenditure of $35 or $40 was made—an amount within $5 of the lowest. For 16% expenditure was $50 to $55 and for 46% $70 to $80. Thus at either end of the scale, in a 12-year period, a child in a favored area would be educated to a cost of $960; and one in an unfavored area at a cost of only $420.

Assessment Variations

Local educational assessments vary too widely. In some cases only a fraction of a mill is levied; in others the tax is as high as 200 mills. However, the tax rate was found not an infallible index of quality of education provided. Very often children are found in greatest numbers in areas where property assessments are lowest.

In all provinces annual expenditures to meet payments on school bonds, debentures or for interest on capital account are of an amount to curtail heavily funds available for current maintenance. Debentures are issued for periods between five and 40 years, at generally high interest rates, and schools are greatly handicapped while capital payments are being made. In some areas capital charges equal in a year the maintenance costs. It is declared to be vital that a greater proportion of revenues be available for the three major needs of salaries, equipment and supplies and ordinary plant maintenance. As far as possible a "pay-as-you-go" policy to meet new costs is urged.

Taxation levied for schools is found to be no longer adequate. However, it is contended that all Canadian children should be entitled without payment of added "scholar fees" as levied by some provinces, to full educational opportunity.

Opportunity of city children is far greater than that of those living in rural areas. Equalizing grants are already in force in many provinces, so that poorer sections receive aid above taxes levied. It is felt that this system should be continued and in many cases augmented.

While the recommended added cost provided for in the report—$144 millions, or almost as much again as the $146.8 millions spent in the year 1941-42—may seem large, the survey points out that the figures do not provide for anything like an ideal scheme of national education. A "very moderate" practical advance is represented, and at the same time it would not be necessary to wait until all funds were forthcoming to begin making improvements. Wider objectives can be kept in mind by educators even if the actual progress is gradual and not complete.

Health is considered by the committee to be the most vital of the subjects investigated. Healthy children are public assets; sickly ones liabilities.

Despite great improvement since the period of World War I, in many cases heating, lighting and ventilation of too many schools are no better than they were 50 years ago.

Only in privileged areas is medical and dental care provided, and even there the follow-up work is considered scarcely thorough enough. There is said to be a basic need for a modern health program in every rural community in Canada.

Teachers, says the report, have been more interested in building muscular bodies and training specialized skills in a few pupils than in maintenance of the good health of all. Also, practice of health habits too often fails to keep pace with teaching.

Nutrition is yet another facet of the problem of health which needs more attention.

Suggest Investigation

An investigation, at a cost of not less than $200,000, to ascertain areas and schools where conditions are unsatisfactory, is urged to be begun immediately. Special grants ought also to be made to school boards to provide for staff members with the proper training in health instruction. Regular dental, medical and nursing services are needed, to coincide wherever possible with services already in force. Close relationship with public health boards is urged. Provision of lunches at schools to correct diet deficiencies is also felt to be a strong necessity.

Total expense of an "adequate" health program is broken down as follows:

Immediate investigation	$200,000
Grants for instruction	1,000,000
Medical, dental exams. & care. Immunization & nursing	17,000,000
School lunches	2,000,000
	$20,200,000

Many more supervisors and inspectors are felt to be needed to infuse life and vigor into classroom teachers, particularly beginners. Larger units of administration, each employing not fewer than 50 teachers under one school authority, are considered necessary. At present more than 16,000 units provide all elementary and secondary educational offerings in either one- or two-room schools with four to ten grades per teacher in each case. Far too often secondary education is entirely lacking in rural areas. It is estimated that an annual expenditure of $8 millions will be required to attain a minimum standard program in all schools and equalize the tax rate within such new units as may be formed in the provinces.

A heavy building program, to cost $44.2 millions, is urged to be started immediately after the war. Many buildings are now obsolete, it is pointed out, while others have fallen into a state of disrepair. More hygienic conditions are felt to be necessary and transportation or the provision of suitable accommodation for pupils living at some distance from schools is recommended.

The survey places the present median salary for teachers at $782; 74.9% receive less than $1,222 per year. Against this fact it is pointed out that the average earnings of workers in Canadian industry in 1940 were $1,207 per year.

The median salary in one province, British Columbia, today is $1,321, and it was felt by the committee that this would be a fair basis for Dominion-wide adjustment of salaries.

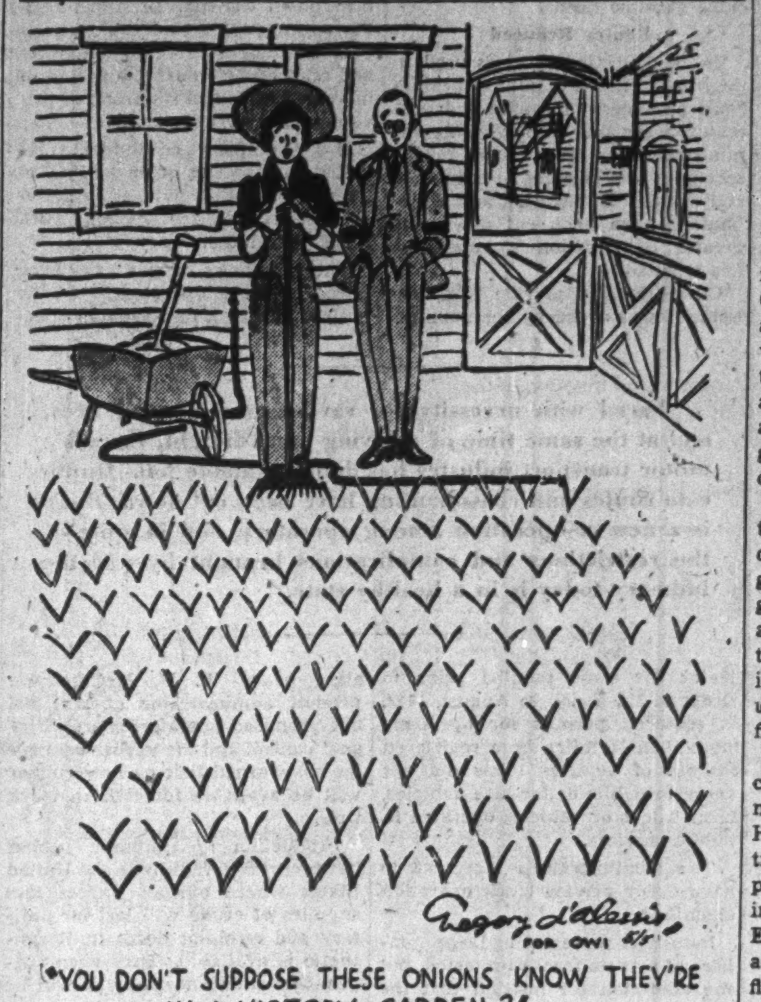
A further detrimental factor is seen in the heavy turnover in the profession, particularly in rural areas. Highest service is rendered by those who intend to make the profession their life work. It is felt that more of a better type would do so were salaries to be raised. With less movement in the profession fewer teachers would need to be trained each year, so that costs in this regard would be substantially lowered.

The committee found that in its opinion insufficient men were employed as teachers. It recommended that the proportion, at present 28.2%, be increased to more than 40%.

Uniformity in courses is not approved by the committee. Provision, it is felt, is necessary for the varying aptitudes of individuals.

An extensive program of adult education is also advocated, covering library services and paying special attention to the probable needs of members of the armed services on their demobilization. More counsellors and leaders are needed.

Chairman of the committee was W. P. Percival, director of Protestant Education for Quebec and president of the Canada and Newfoundland Education Association. Members were Fletcher Peacock, New Brunswick Director of Education; B. O. Filteau, French secretary and Deputy Minister of Education for Quebec; G. F. Rogers, Ontario Deputy Minister of Education; and G. F. McNally, Deputy Minister of Education, Alberta.



"YOU DON'T SUPPOSE THESE ONIONS KNOW THEY'RE IN A VICTORY GARDEN?"

Cutting a Post-War Pattern

(Continued from page 18)

and mining equipment, including the equipment needed for a million electrical horsepower. To this Mr. Cochrane would add 1,000 locomotives, 2,000 passenger coaches, 20,000 freight cars and 3,000 buses for urban and inter-urban traffic. At present prices these would total close to $3 billions.

$8.5 Billions Backlog

Mr. Cochrane notes that there are further tremendous pent-up demands for residential and commercial buildings and the services that go with them. There is reportedly a deficit in the United States of 13 million homes. Prorated this means 1.2 million for Canada. However, 700,000 is probably nearer the truth, whose cost would be $2.8 billions. Rounding the picture out with a guess of another $2.5 billions for services and commercial buildings would give a backlog of unfilled wants of $8.5 billions.

Our postwar pattern of production thus given calls for an increase in production of capital goods and consumers' durable goods, over pre-war $1.1 billion annually. Thus, with depreciation continuing about as before, it would take eight years to catch up with this $8.5 billions of unfilled wants.

Mr. Cochrane declares that the cutting of this postwar pattern is not exclusively an Ottawa job. He suggests that Canadian industry might well follow the example of the United States in forming a Canadian Committee for Economic Development, chaired and directed by some of our top-flight industrialists and economists. He states that Ottawa will have plenty on its hands after victory, with demobilization, peace treaties, social measures, immigration, untangling and improving Dominion-provincial relations and the like. Between government and private enterprise there must be a compromise, or better, a partnership, steering a narrow course between bureaucracy and the "normalcy" of 1919.

COMMUNIQUÉ

for Wartime Travelers

HELP RELIEVE WEEK-END CONGESTION

Travel in Mid-Week

Whenever possible, plan your trips on mid-week days . . . for present conditions make week-ends crowded . . . and you'll find travel on Monday, Tuesday, Wednesday, Thursday, more comfortable and convenient.

You'll be doing a favour, too, to soldiers, sailors, war workers, by leaving extra seats for them at week-ends, usually the only time they can travel. Plan your summer vacations also, either early or late in the season. Avoid the mid-summer rush. And spare yourself delays and confusion at departure time, by procuring information and tickets early.

Travel by motorcoach — for you'll save gasoline and tires by leaving your own car at home; and you'll save money, also — to buy more Victory Bonds or Stamps.

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PROVINCIAL TRANSPORT COMPANY

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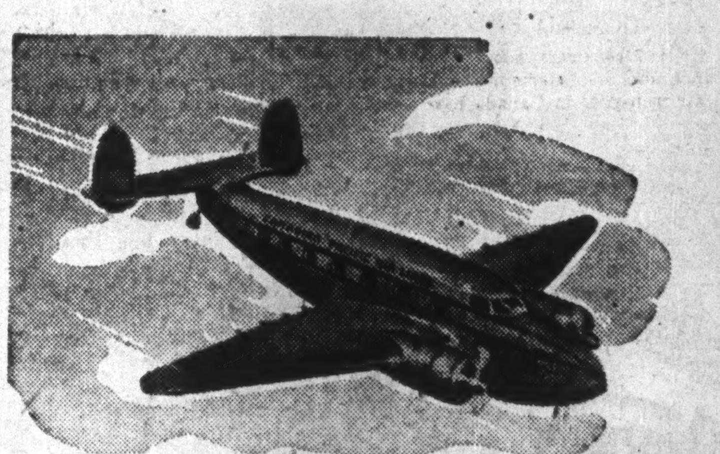


WINGS

OVER THE NORTH

...and Beyond!

HISTORY repeats as Canadian Pacific extends another of Canada's frontiers . . . this time northward . . . *this time by air!*

More than half a century ago Canadian Pacific drove its steel across Canada, linking ocean to ocean by rail. There followed great ships plying the broad Pacific . . . then the Atlantic. Now, opening wide the door to Canada's New North, Canadian Pacific Air Lines reaches out to tap new and fabulous resources . . . to give access to the short, roof-of-the-world air routes to Europe and Asia.

Today these northern air routes form a vital link in global war strategy. Tomorrow they will help to reshape the commercial map of the world . . . for the shortest distance from Toronto or Detroit to China and India is via the Yukon and Alaska! Dedicated now to bringing victory nearer (90% of its total traffic is connected with the war effort), Canadian Pacific Air Lines will be ready to build and serve a greater Canada when peace returns.

Canadian Pacific
AIR LINES
PASSENGERS • MAIL • EXPRESS

THE WINGS OF THE WORLD'S GREATEST TRAVEL SYSTEM

Air Transport

Canada's Postwar Air Hopes

Will Bid for Vital Place in Sky Transport Picture

Canada's key position for future transpolar flight is not without problems, as this winter's scene at a northern air field shows.

Look for a determined bid by Canada for a major place in postwar civilian aviation. Here are the assets she will carry into the struggle:

1. Geographic position that makes her the hub of international air routes.

2. An investment of more than $300 millions in airports, maintenance depots, meteorological services.

3. Two national air transport companies, efficient and ably managed.

With these tremendous advantages Canada does not intend to sit back and watch others monopolize air transport after the war.

London and Washington are wasting no time laying plans. Ottawa is moving cautiously, but when the time comes will have much to say, may even have a deciding voice in proposals now under preliminary discussion.

Three years of war have resulted in 30 years of technical advancement in aviation, in safety of operations, length of flying range, increase of payload. Aircraft as a means of transportation has arrived.

Canada is not a "babe in arms" as far as commercial air transport is concerned. At the outbreak of war the Dominion's fliers carried the world's record tonnage of air cargo.

First regular commercial air freight and passenger business in the Dominion was commenced 20 years ago by the Laurentide Air Service in Quebec.

This was followed by similar developments through the West and Pacific coast.

Lead the Way

By 1926 Canada had the only two self-sustaining air transport routes operating in the British Empire. One was located in the Red Lake mining district of Ontario and the other in Quebec.

At this time the airplane came into its own as an essential means of transport to outlying communities for assistance in opening up mining areas.

Air transport in Canada mushroomed. So-called bush services opened up the northland. Pioneer in this work was Canadian Airways, now part of Canadian Pacific Air Lines. In the 15 years, 1927-1941, it carried 60 million lb. of air cargo, eight million lb. of air mail and 250,000 passengers.

Record Volume of Traffic

Pioneer work done in air cargo transport in Canada goes back to 1920 when the insignificant total of 6,740 lb. was moved. This is in distinct contrast to the 1937 record total of 25 millions and even the 1939 figure of 19 millions, which compares to six million lb. in the United States during the same year.

The yearly total of air cargo moved in Canada from 1920 to 1941 follows:

Year	Pounds	Year	Pounds
1920	6,740	1931	2,372,467
1921	79,850	1932	3,129,974
1922	76,706	1933	4,205,901
1923	17,600	1934	14,441,179
1924	77,385	1935	17,615,910
1925	592,220	1936	22,947,105
1926	724,721	1937	24,317,610
1927	1,098,348	1938	19,623,133
1928	2,404,682	1939	19,379,700
1929	3,903,905	1940	14,436,571
1930	1,759,259	1941	16,545,756

Two National Units

With the last few years, and especially since the war started, commercial air transport in Canada has undergone several highly important changes.

First was the creation by the Dominion Government of Trans-Canada Air Lines. This gave Canada an east-west transcontinental service under one company. It is primarily a passenger, express and mail service.

The second development was the creation last year of Canadian Pacific Air Lines, which brought together 10 small companies operating from as far west as Vancouver Island to Quebec in the east and as far north as the Arctic Circle.

This gave Canada two national organizations, in which over $10 millions have been invested.

Between them last year they flew nearly 13 million miles; carried 165,000 passengers; over 10 million lb. of freight and express and four million lb. of mail.

Further War Effort

Because of present conditions these two lines are devoting practically all their facilities and personnel to the war effort.

Canadian commercial air services have been moving huge quantities of supplies to isolated points for the establishment of defense bases. They took a prominent part in the building of the Alaska highway, the Shipshaw power development and numerous other special undertakings.

TCA'S War Job

Trans-Canada Air Lines is operating for the Department of Munitions and Supply a new engine and overhaul plant adjacent to the company's main shop at Winnipeg. The plant is working on overhaul of military aircraft, engines, propellers and accessories.

TCA's instrument shop at Winnipeg is working 24 hours a day on overhaul and repair of instruments for military aircraft. A considerable volume of work has been undertaken for other war plants and facilities of the company at various airports across Canada are used extensively for servicing military aircraft.

The regular passenger, mail and express services operated across Canada by TCA, of course, form an important link in the war effort.

CPA Does Big Job

Similar and even more extensive services are provided by Canadian Pacific Air Lines. The huge defense projects in the north have resulted in heavy demands on services between Edmonton and White Horse and to other points in the northwest and northeast.

In addition to its transport facilities, CPA operates six air observer schools and one elementary training school on a non-profit basis for British Commonwealth Air Training Plan. Further, it manages five aircraft overhaul and engine repair plants under contract with the Department of Munitions and Supply.

Where and how TCA and CPA will fit into the postwar picture is still problematical. That they will be the spearhead in Canada's move to secure a place for itself in the international commercial air transport field goes without saying.

Canada's Air Policy

Speaking in the House, Prime Minister King made several points on Canada's after-the-war air policy:

(1) When war necessities permit and suitable equipment can be obtained, the Government will encourage the further development within Canada of air transport services, to supplement and form part of an up-to-date transportation system for Canada by land, water and air.

(2) The Government intends to plan a number of routes suitable for postwar air services and offering traffic possibilities that will warrant a service.

(3) The Government will continue to develop airports and other facilities for weather reporting and communications, which will contribute to the expansion of Canadian air transport.

(4) Trans-Canada Air Lines will be the instrument of the Government in maintaining all transcontinental air transport services and in operating services across international boundary lines and outside Canada.

(5) Development of supplementary routes will continue to be left to private enterprise, unless considerations of public interest indicate that certain of these routes should be designated by the Government as routes to be operated by TCA.

(6) Policy of the Government at the moment in dealing with all questions which affect international air transport is to make temporary arrangements, leaving the issues open so that Canada may be able to support, in international negotiations when they take place, whatever policy appears best at that time.

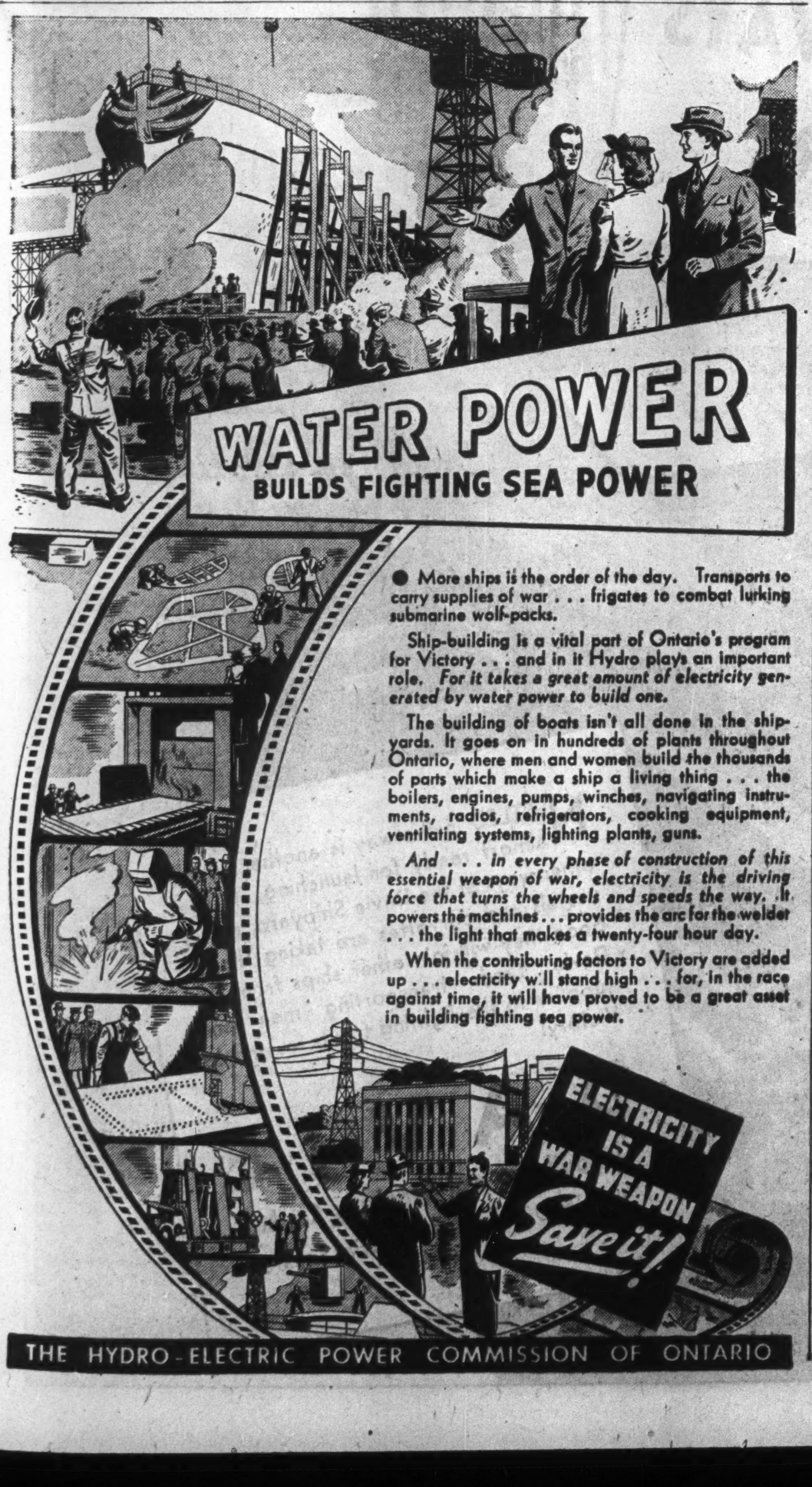
Conflict of Interests

Government policy has caused a great deal of comment. It is well known that the $5 millions or more which the Canadian Pacific has invested in CPA has been with the idea that this unit would engage in transatlantic and other international services when conditions permitted.

Competent observers hold to the opinion that Canada would be handicapping herself unnecessarily by limiting international routes to one agency. They believe there is plenty of room for two companies to engage in this field, either separately or jointly, without conflict.

Creation of a monopoly for TCA would give rise to certain unusual

(Continued on page 22)



● More ships is the order of the day. Transports to carry supplies of war . . . frigates to combat lurking submarine wolf-packs.

Ship-building is a vital part of Ontario's program for Victory . . . and in it Hydro plays an important role. *For it takes a great amount of electricity generated by water power to build one.*

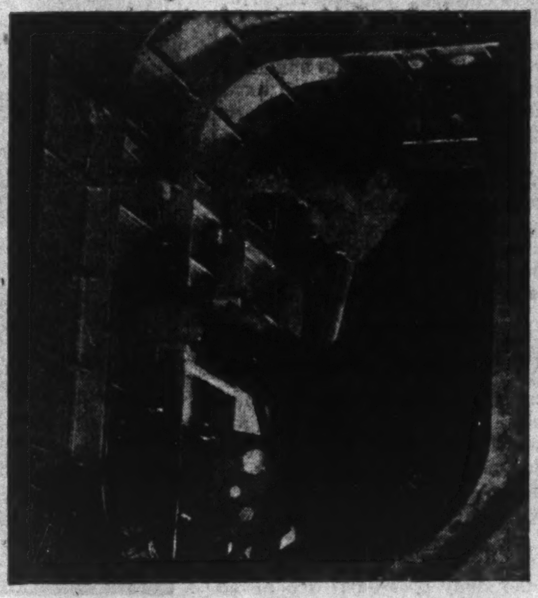
The building of boats isn't all done in the shipyards. It goes on in hundreds of plants throughout Ontario, where men and women build the thousands of parts which make a ship a living thing . . . the boilers, engines, pumps, winches, navigating instruments, radios, refrigerators, cooking equipment, ventilating systems, lighting plants, guns.

And . . . in every phase of construction of this essential weapon of war, electricity is the driving force that turns the wheels and speeds the way. It powers the machines . . . provides the arc for the welder . . . the light that makes a twenty-four hour day.

When the contributing factors to Victory are added up . . . electricity will stand high . . . for, in the race against time, it will have proved to be a great asset in building fighting sea power.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

Keeps Planes Aloft and also Helps to Build Them



Many types of planes are required to meet transport and combat problems. Likewise, Ingersoll-Rand pneumatic tools are available in many sizes and types, all packed with power, easy to handle, and built for hard work.

WHILE air is the element in which an aeroplane's flight is accomplished, Air in Action — Compressed Air — also plays an important part in the construction of aircraft. Compressed Air drives drilling machines, riveters, hammers, grinders, wrenches, hoists and many other tools which help to speed production in aircraft plants.

Canadian Ingersoll-Rand Company has pioneered in the development of compressed air equipment for over half a century. Our experience in the application of compressed air to many widely diversified manufacturing and industrial processes is at your disposal.

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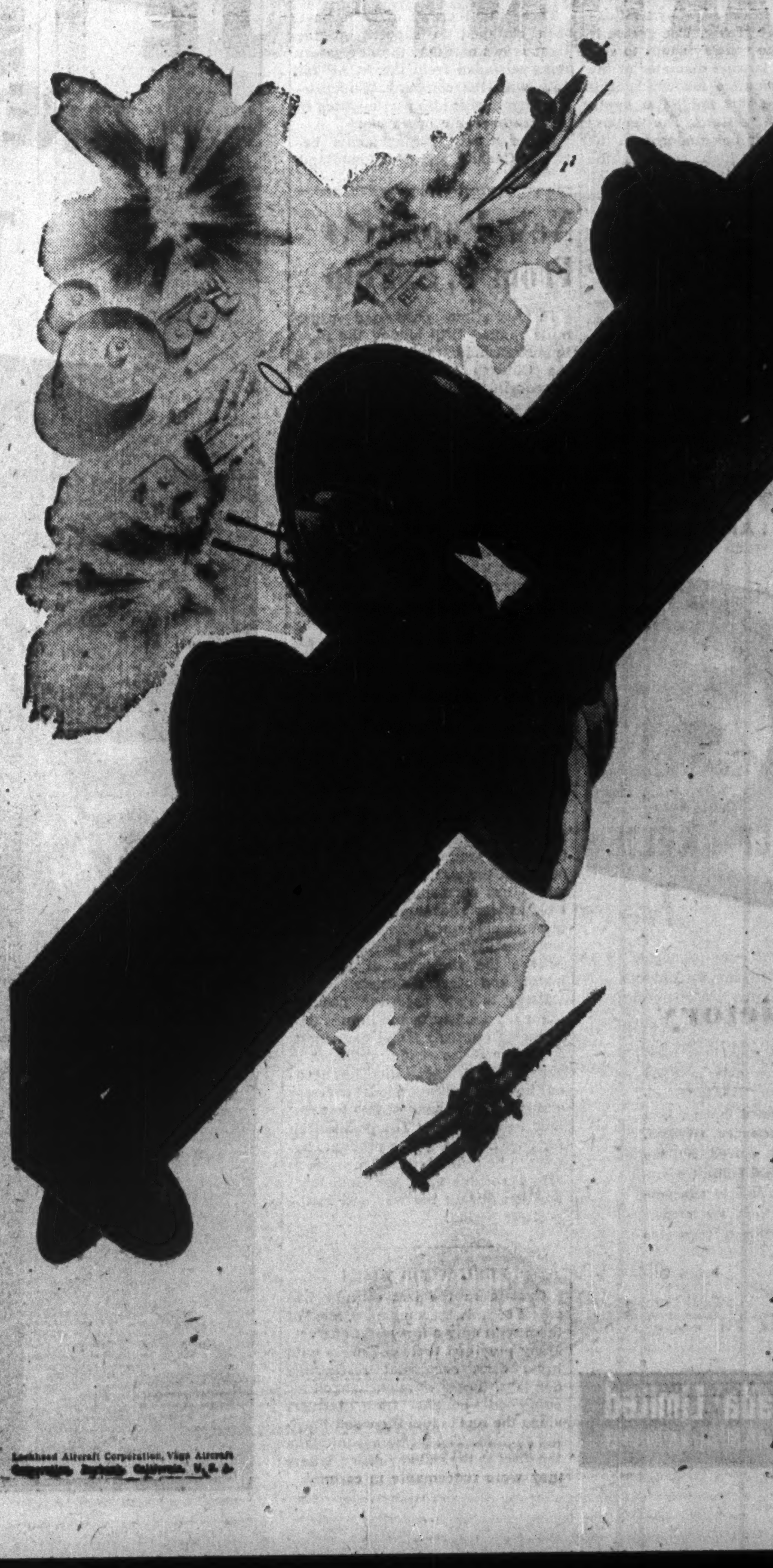

WHAT DO YOU MEAN

***medium* bomber!**

There's nothing "medium" about our American medium bombers but their size. For example, the Vega Ventura can bomb accurately from high-level flight—swoop down on its target for low fast attack—strafe troop concentrations—blast tanks—tow gliders loaded with men and supplies, and tow high speed targets for our fighters to practice on—a combination of tasks no other medium bomber can do.

Then, too, the Ventura patrols thousands of miles of cold gray ocean to drop depth charges when it finds a sub—carries torpedoes to attack enemy ships—plants mines to trap them. What do you mean, "medium" bomber!

The Ventura has the same basic qualities of *all* Lockheed and Vega planes, *extra* strength, *extra* dependability. That's why the Canadian, British, Australian, and U. S. Army and Navy Air Forces are all using Venturas—lots of them.

A subsidiary of Lockheed

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Lockheed Aircraft Corporation, Vega Aircraft

U. S. Freightways Meet Test

Oil Movement and Manpower Now Main Problems

The battle of transportation in the continental United States is now being won, the Office of War Information reported last week in a comprehensive survey of the transportation situation. Substantial victories were reported in the movement of both passengers and freight, although the OWI warned that two problems—the transportation of oil and the transportation of workers to war plants—still remain acute.

With few major congestions the railroads of the nation are performing a job of freight transportation which dwarfs anything in the country's history, the OWI reported. At the same time the trucking industry, with an estimated 200,000 of its 4.5 million vehicles out of operation, has increased the ton mileage of trucks in intercity service by 10%. Freight movements over inland waterways have also reached peaks of capacity and efficiency.

Railroads Set Records

With intercoastal shipping through the Panama Canal practically nonexistent, except for military movements, and with coastwise shipping, especially between ports on the Atlantic, at a low ebb, the railroads are performing a gigantic job of freight transportation. In 1942 they carried 683 billion ton miles of freight. This was an increase of one third over the tonnage hauled during 1941, the previous peak year. The 1942 figure is certain to be topped in 1943.

The railroads have taken over eastern oil deliveries to a larger measure than was believed possible. At present, over 800,000 barrels of oil are moving into District I by tank car daily. Approximately 70,000 tank cars are now in the eastern oil service. Of these, 1,500 are new cars, built last year, for special oils. Most tank cars are old—18 or 19 years on the average—but improved maintenance is keeping them in better condition than they were a year ago.

Eastern Oil Shortage

One of the major freight problems facing railroads is supplying the eastern states with oil. Before the diversion of oil tankers to foreign service and the beginning of submarine sinkings, one tanker left Gulf ports almost every hour with oil for the 17 eastern States and the District of Columbia, now known as District I. One million five hundred thousand barrels of oil were delivered daily to this region. Only five or six thousand barrels were delivered daily by rail and virtually all the rail deliveries were of special products such as asphalt, liquefied petroleum gases, and wax.

Coal Shipments

Somewhat less than in the case of oil, but still to a striking extent, the railroads have assumed the major burden of coal deliveries to the northeast. Increased industrial demand and the diversion and sinking of a number of colliers have made this necessary. New England, which in 1939 received three quarters of its bituminous coal by collier, is now receiving over half by rail. The small proportion of anthracite usually shipped to New England by water has been diverted to the railroads almost entirely. New York, which is more easily served by rail than is New England, now receives no collier deliveries from Hampton Roads; the boats sail directly to New England ports. Where New England ports are too small to handle colliers they are served by barge from New York.

Elsewhere in the country, too, the coal transportation picture has undergone wartime changes. Eastern Kansas and western Missouri, which are in themselves coal-mining areas and usually self-sufficient, experienced a brief coal shortage during the past season. This was caused by a WPB order stopping the flow of natural gas into the region from adjoining areas unsupplied with coal. Emergency rail deliveries of coal had to be made from fields in western Kentucky and Illinois.

The war has brought about greatly increased activity in America's inland waterways. During the 1942 season the record-breaking total of 92,000,000 tons of iron ore moved over the Great Lakes, from the Minnesota iron ranges to the Lake Erie ports of Erie, Toledo, Huron, Cleveland, Ashtabula and Conneaut, whence it is transshipped to steel mills. The Great Lakes shipping season was an unusually long one, lasting from the last week in March to Dec. 9. Ore was given priority over all other shipments; movements of grain and coal were restricted in its favor. Manpower and weather conditions on the lakes will largely determine the ore haul of 1943.

Doing their part to fill the increased needs of war, the country's rivers and barge canals are in most instances being used up to the capacity of present equipment. The greatest exception to the full utilization at present is south-bound movement down the Ohio and Mississippi Rivers. Barges which have come north laden with southern sulphur and sugar, and with coal for the region of the Twin Cities, return empty for want of cargoes. No immediate solution for this situation is apparent, for this is an area of empty southbound freight-car movement as well.

Postwar Air Hopes

(Continued from page 21)

situations. For example, privately-owned U. S. air transport companies will undoubtedly ask for concessions from Canada in connection with their plans for routes to Europe and the Far East. The granting of a license to one or more of these companies, without granting similar concessions to a Canadian company, would cause complications.

Numerous other angles to the international air transport service will have to be considered and reconsidered before any plan is formalized. As the study goes on it is believed that the Canadian Government policy will be less restricted to allow properly organized and financed companies to extend their services beyond the Canadian border.

Meanwhile TCA and CPA are busily working on their plans for afterwar transport.

TCA is co-operating closely with British Overseas Airways—a British Government agency — in the North Atlantic transport operation. At Montreal airport maintenance and overhaul work on these overseas air transport is performed by TCA. Upward of 200 of the company's skilled mechanics are continuously employed in this work.

Three flight crews of TCA have been assigned to supplement the flight crews of BOA, the navigators being seconded from the RCAF for duty with the company. Supervisory personnel is also participating in this transoceanic operation.

Under treaty arrangements between Canada and Newfoundland, TCA started a service between Moncton, Sydney and St. John's a year ago this month. Starting with one round trip daily, the service has been expanded to two trips a day.

Extension of the company's service to the Yukon Territory and Alaska has been deferred, Alaska having been declared a military zone by the U. S. Government and all civil flying operations prohibited there.

TCA also has undertaken research in connection with plans for oceanic and international flying, "but the formulation of detailed programs must await developments."

CPA Watches Trend

CPA also may be said to be awaiting "developments." Its services are strictly limited to Canadian operations, and plans for overseas services must necessarily await a change in the Government's announced policy.

In its personnel CPA has a wealth of highly skilled commercial air transport workers, men who have had unparalleled experience in flying the northern routes. Moreover, the company is making continuing studies to be ready to expand outside of Canada.

Between these two lines Canada has the nucleus of an international commercial air service, jointly or independently, which would place the Dominion in a top ranking position among the air-minded nations of the world.

Lubrication of Locomotives Requires Special Greases

It is a far cry from the old days of "tallow-pot" lubrication of locomotives to the specialized lubricants of today. In old days lubrication of railroad equipment was definitely on a "hit and miss" basis. Lubrication equipment consisted of a tallow pot and an oil can. Every so often the train would be stopped and the oil poured in where needed. Cars were lubricated when the bearings were found hot through holes above the journals.

In these days, when the transportation of vital war supplies is of the utmost importance, lubricants must be used which will "stand up" on a locomotive under the most gruelling conditions. Speed is higher, trains are heavier and locomotives are called on to run longer distances, yet trains are moving daily in a continuous stream from one end of the Dominion to the other, with a minimum of delay. To bring his train in "On Time" is the engineer's aim, and to do this he must have the assistance of good lubrication. Today he knows he can complete his run without the nightmare of "hot boxes," which result in train delays and the disruption of his time schedule.

The locomotive is a complex machine, and may be described as a machine served by auxiliary machines. The most important is the running gear, as the entire operation of the locomotive depends on the lubrication of the wheel axles or "journals" as they are called. The driving journals are first in importance, being lubricated with grease, which is underfed to the journal through a perforated plate which fits closely to the journal surface. As the running temperature of the driving journal when the locomotive is at high speed, may attain over 300 deg. Fahr., the grease must have high melting point, so that it feeds slowly to the journal through the perforations in the plate by heat expansion of the grease. The grease is molded in the railway shops to suit the size and journal diameter of the class of locomotive for which it is intended and this facilitates application to the "cellar." The "cellar" is the retaining box underneath the driving box, which contains the grease cake and the spring which maintains the cake and the plate in contact with the journal.

The smaller diameter pony truck and idler wheel journals are lubricated with oil-soaked packing, as are also the tender boxes. Waste packing, which has been soaked in special low cold test oil for 48 hours, and drained on a rack for 12 hours to remove the surplus oil, is used. This is also underfed to the journals, and the method of packing must be such that all loose waste strands are tucked underneath the packing at the sides of the box.

New Products From U. S. Pulp

In peacetime pulp and paper mills ranked fifth among the most important industries in the states in the Chicago area, which include Wisconsin, Michigan, Illinois and Indiana, with production valued at more than $250,000,000, states M. B. Palmer, Canadian Trade Commissioner at Chicago. More than one fifth of the total U. S. paper output, amounting to 21,000,000 tons in 1941, is normally manufactured within this area.

Beginning with Nov., 1942, production of most paper and paperboard products in the United States was restricted. The purpose of the paper freeze order, as it is generally known, was to provide the basis for a balanced program of reduced production and of possible concentration of the industry in Canada and the United States, with the ultimate object of reducing the production of paper products to an essential level and thereby releasing for war purposes labor, power, transportation and materials.

The pulp and paper industry in this area therefore entered 1943 with uncertain prospects. This industry, however, the wartime essentiality of which has been questioned, is now hard at work developing new paper products and derivatives to improve wartime methods of packaging and relieve the shortages of strategic metals and other materials.

Paper is now used for packaging many foodstuffs and liquids that formerly required metal containers. Synthetic resins are impregnated in papers to give special qualities needed in transporting goods overseas under a wide variety of weather and landing conditions. The possibilities for new and substitute products appear to be unlimited and promise to affect considerably the industry's position during the war and in the postwar period.

FUEL WOOD DISCS

Canada in the last century had scores of railway companies, most of them with only a few miles of track. Many provided their engineers with brass discs somewhat resembling dog tags. These were exchanged for cordwood bought from farmers along the line to fuel the wood-burning engines. The farmers would take the discs to the railway office, where they were redeemable in cash.

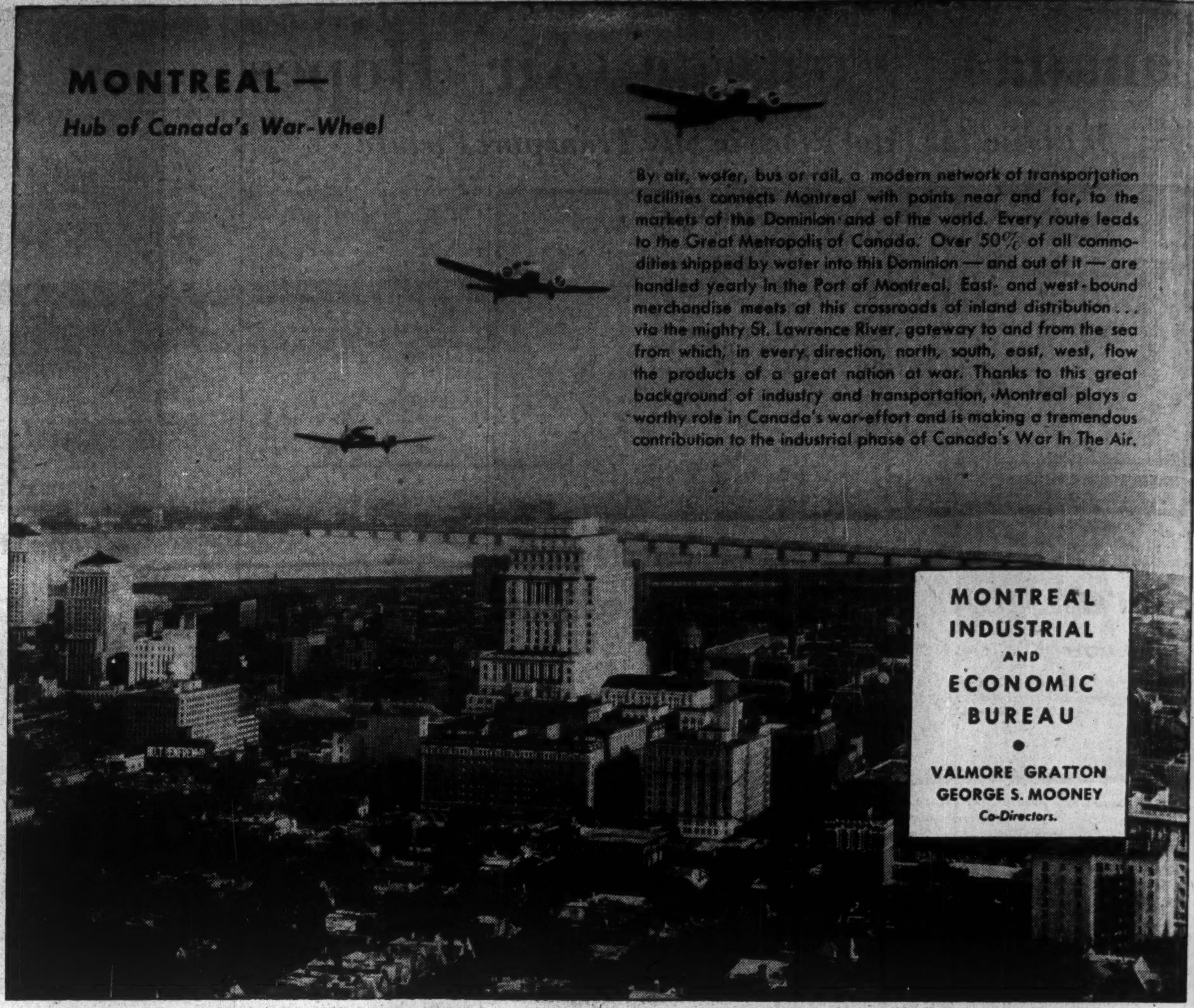
CANADA BUILDS . . . AND PAINTS

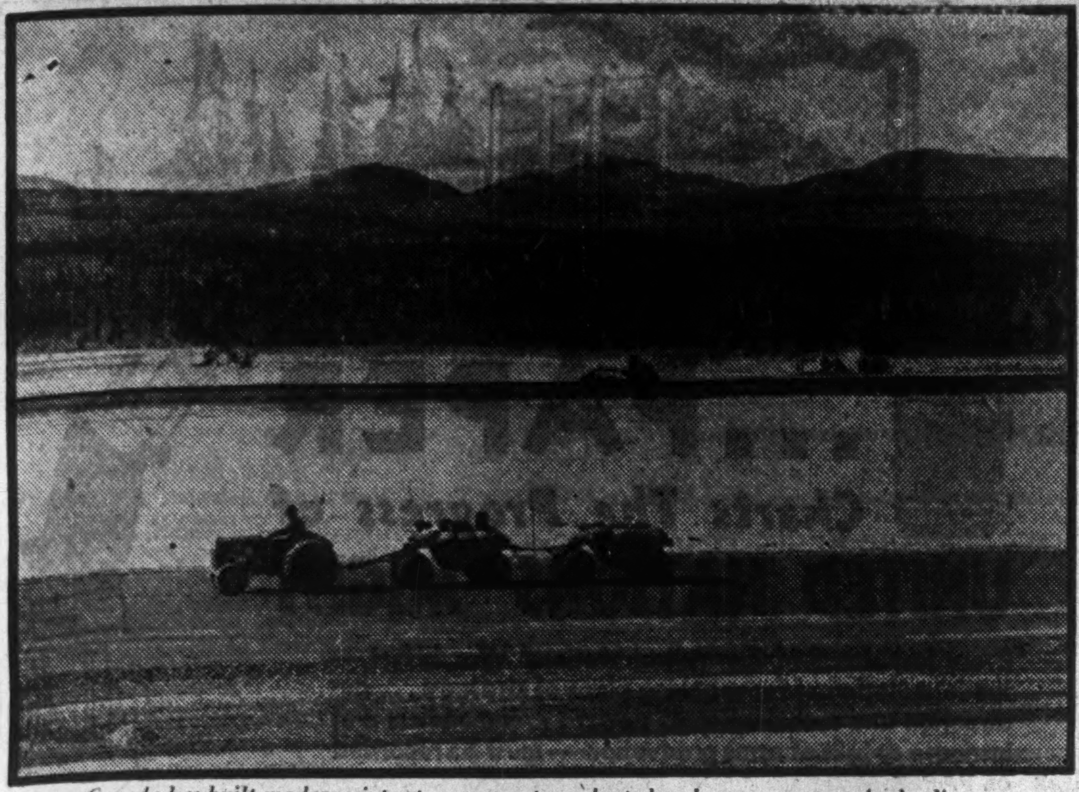
On Wings of Victory

War has taught Canada to build planes — trainers, fighters, bombers. In the process many technical problems of production and supply had to be mastered. Not least among these were, or would have been, problems regarding finishes for airplane bodies and wings, "the wings of victory". But in this sector of the production front International was able to come forward with "TITANINE" already perfected through long years of scientific research, tested and proved by the Canadian and British Governments, available in adequate volume through the production facilities of a world-wide organization.

The Army-Navy "E" Burgee has been awarded to Titanine Inc. by the U. S. War Department in recognition of especially meritorious production and quality of "TITANINE" aircraft finishes.

International Paints (Canada) Limited
HALIFAX SAINT JOHN MONTREAL TORONTO WINNIPEG VANCOUVER





Canada has built modern airports on an unprecedented scale, a guarantee of a leading place in future air transport.

Transport Meets Challenge

Controls Ease Problems, Smooth Difficult Task

Canada's railways are handling more freight, more passengers, than ever in history and doing it with less equipment.

Canada's public transit systems—bus lines and street car services—are also carrying a record load. They have not been disrupted by extraordinary pressure, continue to function efficiently.

The wartime job of the railways, the buses, the street cars, comes under Transport Controller T. C. Lockwood and Transit Controller Gearge S. Gray.

Duties of these controllers are distinct and clearcut. The transport controller is empowered to conserve equipment, motive power and fuel, to assure maximum use of railway facilities for the transport of the armed forces, munitions and supplies, and to provide for the prompt and continuous movement of essential traffic.

No country in the world has better-operated transport facilities than does Canada. Both the transport and transit controller recognize this. They have not attempted to tell the railways or the tramway operators how to run their business.

Orders they have issued have been designed to ensure best use of the equipment available. They have been few in number. Where restrictions have been imposed, it has been with the idea of making the equipment available for more essential purposes.

Conserve Equipment

Thus the transport controller has done away with special week-end fares in order to reduce the volume of passenger traffic.

Ski-trains have been eliminated. Parlor cars have been taken off trains in areas where traffic is particularly dense.

Regulations have been issued with respect to the loading of cars.

These and other orders are purely to save on motive power, fuel and equipment. In the main they have caused no inconvenience to the public.

The transit controller has followed much the same policy.

Most effective way yet found for meeting the heavy demands placed on urban transit facilities is staggered hours. By arranging the opening and closing times for important numbers of workers, the high peak of morning and evening rush hours is flattened out over a longer period so that just as many passengers can be carried with less equipment.

Getting war workers to and from their jobs is vital. Many large war plants are located on the outskirts of towns, making their servicing more difficult; many workers come off duty on varying shifts at different hours of the day and night.

By staggering hours the transit controller has been able to bring more effective use of transit equipment and make it possible to carry a record volume of traffic with a minimum increase in equipment or manpower employed.

The restrictions applied by the transport and transit controller have been commonsense and precautionary. They do not indicate the inability of the transport agencies to handle all the traffic available, or that facilities are employed to the full.

Other Agencies Help

Allied to the work of the transport and transit controllers are the activities of various boards set up to see that traffic flows smoothly.

No restrictions or priorities are imposed on domestic movement of railway freight, for example, but no traffic destined for overseas will be handled by the railways without first having a permit from the Canadian Railway Association which acts in conjunction with the Transport Controller.

In effect the railways have not adopted the "red card" system for all freight moving overseas.

In peacetime when either the Canadian National or Canadian Pacific want to favor the movement of a particular commodity, especially long haul bulk freight, the car is ticketed with a red card which ensures special handling on all lines over which it moves.

Prevent Piling Up

Under present conditions neither railway will load freight, especially bulk freight, for overseas without a permit from the association. The latter in turn will not issue a permit unless the space is actually available on a ship.

War supplies and government shipments are given preference, the Ministry of War Transport for the United Kingdom ruling on priorities for all overseas traffic, while cargo space for such supplies and shipments is arranged by the Shipping Board.

In this way danger of freight piling up at ocean shipping ports is avoided. The flow of traffic is regulated. At no time is there freight waiting transshipment at a port or on its way to a port greater than the shipping space available.

Ship Insurance Rates Lowered

Action Results From Favorable War Developments

From Our Own Correspondent

MONTREAL.—Reflecting the successful conclusion of the United Nations' North African campaign, together with better experience in submarine warfare, the Canadian War Risk Committee, representing private companies here, has lowered insurance rates on ocean cargo. The reductions, for the most part, are of moderate proportions.

No rates via the Mediterranean have yet been announced but for Egyptian Mediterranean ports via Suez rates have been reduced from 17½ to 15%.

Success on still another battlefront, the northern Pacific, has resulted in reduced rates between United States west coast ports and Alaska. These formerly ranged from 1⅞ to 3½% and are now down to 1⅜ to 3%.

Cut South African Rate

Sailings from the U. S. west coast via Magellan to South Africa have been cut from 12½ to 10%, but other South African voyages are unchanged.

Transpacific sailings to Australia, New Zealand and South Pacific ports east of 150 deg. east longitude now carry a 5% rate against the former 6%. This rate via Panama to or from Canadian or U. S. Atlantic or Gulf ports is now 10%.

Voyages to or from the West Indies have been reduced to rates ranging from 1 to 6½%, compared with a range of 1½ to 7½% formerly.

Cargo rates on trips to India and Ceylon have been cut from 17 to 15%.

With less equipment and personnel than they had during the last war, Canada's great railroads are today doing a job twice as large.

RAILWAY STATISTICS

Last year, over their 56,500 miles of track, Canada's railroad systems carried 150 million tons of freight. They transported 20 million more passengers than in the previous year, including hundreds of thousands of troops. Working at all-out tempo, this required the continuous service of 150,000 freight cars, 6,600 passenger coaches and 4,500 locomotives.

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Wide Range of Locomotives Required to Fill Varying Needs

Variation in locomotive types is found chiefly in the number and arrangement of the wheels. The diameter and number of coupled wheels with which a locomotive is equipped decides the class of service for which the locomotive is intended. This is briefly expressed by a simple system of notation which adequately describes the locomotive types.

Every locomotive is equipped with two different descriptions of wheel, either in theory or in fact. There are the coupled driving wheels, which transmit to the rail the power developed in the cylinders, and are responsible for the business of moving the locomotive and its train.

The remaining wheels are for the purpose of carrying the weight of the locomotive which extends beyond the driving wheels and may be located either ahead of or behind the driving wheels. If there are only one pair of wheels ahead of the driving wheels, these are known as "pony truck" wheels, while if there are two pairs of wheels mounted on a truck, they are called "engine truck" wheels. A single pair of wheels supporting the weight of the firebox and the cab, and located behind the driving wheels, are called "idler" wheels, but if there are two pairs of wheels mounted on a truck, they are named "idle truck" wheels.

Take for example the "Consolidation" type of freight engine. There is one pair of pony truck wheels, four pairs of driving wheels, and no idler or idler truck wheels. The two, eight and nothing sequence gives notation, which is 2-8-0. The locomotive type governs wheel notation as each type has its own distinctive wheel arrangement. These types have been developed by different railways to suit operating conditions on varying classes of trains, whether for freight on passenger service or for operating in mountainous country, or for fast service on comparatively flat track.

Jamaica Has Good Market For Paper

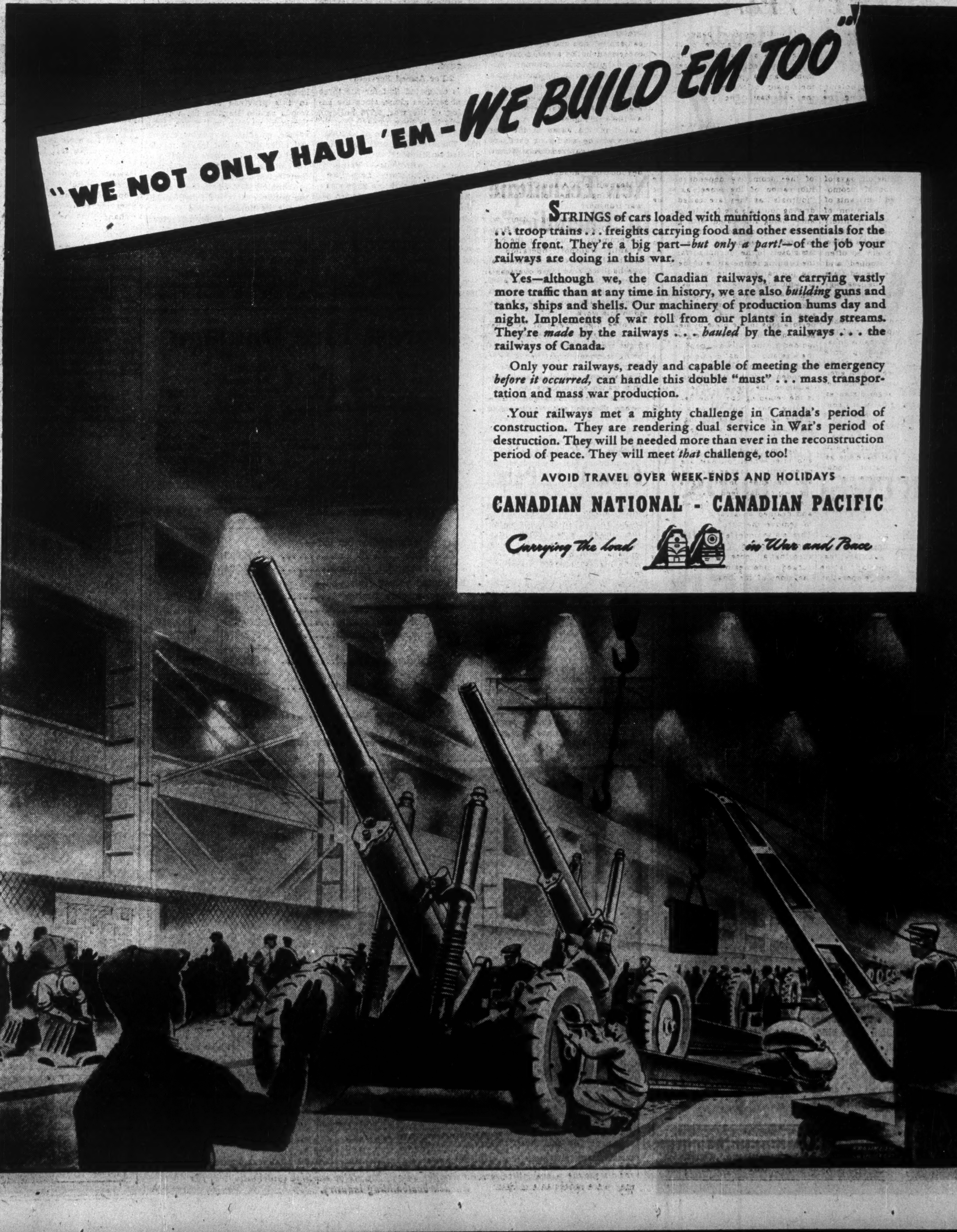
Paper and its various manufactures are a large item in Jamaica's import trade, according to F. W. Fraser, Canadian Trade Commissioner at Kingston. The demand has moderately but steadily increased in recent years, following the natural increase in the population and the gradual betterment of living standards.

For these two reasons a continued expansion of the paper trade in the postwar period can reasonably be expected, especially in view of the plans that have been made by the British and United States Governments to further the economic and social development

The aggregate value of imports in 1941 was £212,884, as compared with £131,324 in 1938; the increase shown being mainly due to the rise in price since the outbreak of war. In 1941 Canada's share of this valuable business amounted to £139,141 (65% of the total) as compared with £32,588 in 1938.

In 1938 and 1939 Canada was an important supplier of only newsprint, containers for Jamaican produce and miscellaneous paper manufactures.

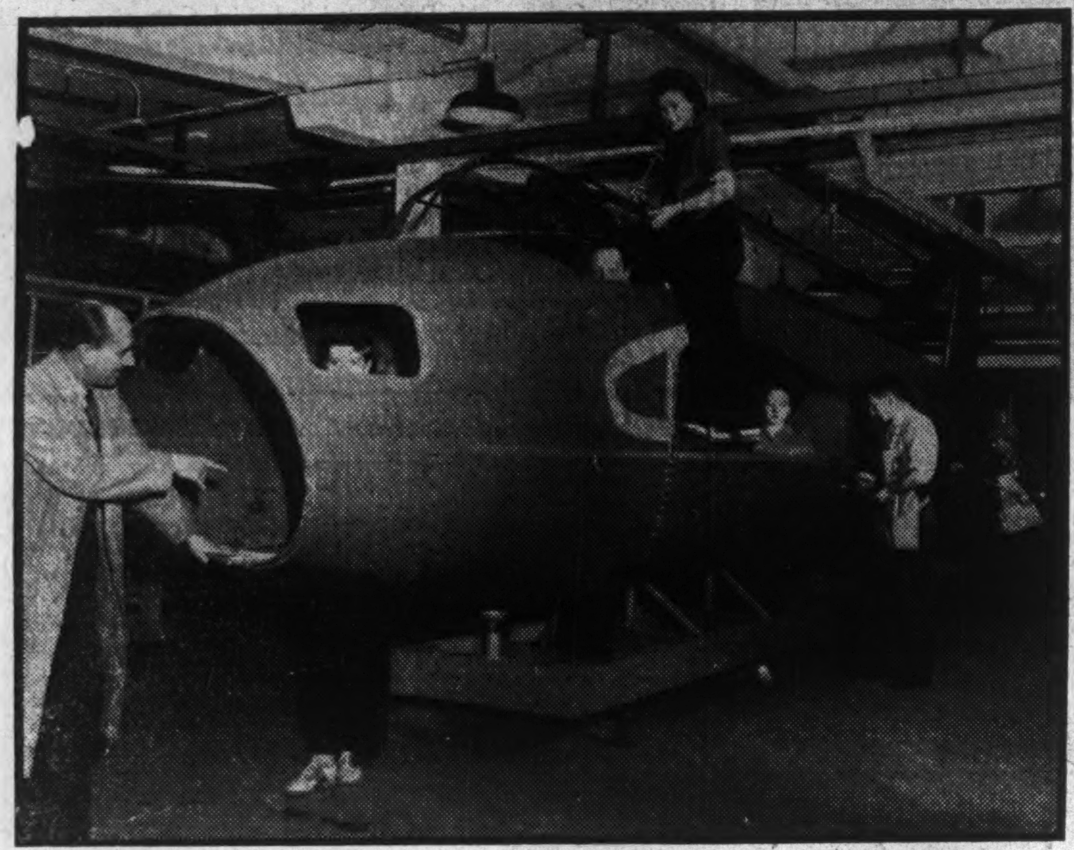
During 1941, however, various paper and paper products were imported from Canada, including cardboard and millboard, cigarette paper, newsprint, wallboard, waxed and greaseproof paper, wrapping paper, bags, boxes and cartons, writing paper and envelopes, etc.



Wood at War

All Provinces Share in Lumber Wealth

New Demands Keep Sawmills Busy from Coast to Coast



This fish-like structure is the fuselage of a Mosquito bomber.

A German general is credited with saying that in warfare wood is as essential as bread. Some grounds for this opinion is found in the important part wood plays in all wartime operations, right from the manufacture of munitions and equipment to the forward battle areas, from the industrial plant making motor vehicles or airplanes to the bridge of a warship or a front line foxhole. Mustered out at the first call to arms, it remains in service until the last of the forces is demobilized.

A list of the items in the war economy made wholly or partly of wood would cover such different things as tent pegs, stocks for rifles, potato mashers, skis, furniture, wooden barges, pontoons, airplane hangars, hutments and factory buildings. It is estimated that the list of quartermaster's procurement items, of which wood is a constituent, is over 250, though probably this is an underestimate.

From the very day that war was declared it was evident that Canada would use large quantities of wood to house and care for her armed forces and to house her war industries and provide material for the manufacture of various things needed for war.

Canada's large forest resources have enabled her to fill her own requirements and a large part of those of her allies.

In wartime accurate statistics of the quantity of lumber used are not available but some idea of the volume may be had from other sources such as building construction and the production of various kinds of lumber.

Building Contracts

Building contracts awarded in Canada in 1938 were $187 millions. This figure was duplicated in 1939. In 1940 it rose to $346 millions and in 1941 to $393 millions, with the total for 1942, $281 millions. The decline in 1942 reflected the passing of the construction peak for war needs which, however, continues well above that of the peace years. For example, construction contracts for the first four months of 1943 were $58 millions, with the most active season still to come. In the first four months of 1939 the figure was $39 millions. The figures, of course, represent expenditures on other materials than lumber, but they illustrate the trend.

For Armed Services

It is estimated that for the three armed services alone, since the beginning of the war, 2,776 building projects have been undertaken, involving an expenditure of $250,665,000. These expenditures have been divided as follows:

	Projects	Value
Army	546	$49,942,000
Navy	230	25,593,000
Air Force ..	2,000	175,129,000

In addition industrial and Government commitments had a total value of $690 millions exclusive of direct Government expenditures for new plants, extensions to old plants and equipment.

Total Production

Total production of lumber in 1941, the latest for which figures are available, was the largest in history at 4,941 million ft., exceeding the previous record of 4,918 million ft. established in 1911.

Domestic consumption of forest products, home grown and imported in Canada in 1941 was 3,032 million cu. ft.

Much of the wood produced in Canada was wanted for making things to be shipped to the United Kingdom in the form of manufactured articles. Some of it was shipped direct for processing overseas.

Timber Control

In June, 1940, it was found desirable to appoint a Timber Controller, the main functions of whose office were:

1. To assist the British Timber Control to secure supplies in Canada.
2. To administer and mobilize the Canadian timber trade with wartime economy.

Under this authority use of timber was saved in some instances, extended in others. An example of this was the substitution of wood for steel in one building saving $90,000 in the cost of construction.

Unofficial figures of wood products of different kinds purchased by the Timber Controller for the armed services alone are as follows:

	Feet
Western softwood ...	382,110,000
Eastern softwood ...	259,300,000
Hardwood	19,170,000
Plywood	40,000,000
Shingles, squares ...	190,000
Posts, poles, etc.	132,000
Ties	260,000

These figures, it is understood, don't include purchases for all purposes but do include lumber for hangars and buildings used for chemicals and explosives.

Canada's Wood Resources

British Columbia stands as the largest producer of sawn lumber. In this province are found such woods as the Douglas fir, western hemlock, western red cedar, sitka spruce, amabilis fir, yellow cyprus, red alder and broad leaved maple. Total cut of all timbers in 1941 was 3,697 million feet against 3,693 million feet the preceding year. Approximately 45% of the total cut in the province runs to fir, distinguished for its durability and strength and favored for heavy structural timbers, shipbuilding, piling, etc. In addition to supplying domestic needs the area ships large quantities to the United States.

Maintains Production

Quebec has maintained production at a high level. Types of lumber produced there include mainly white pine and red and jack pine, spruce, fir and the main types of Canadian hardwood. In 1941 total production of sawn lumber was over one billion feet compared with 935 million feet in 1940 and under 800 million feet in 1939. Exports to the United Kingdom have been curtailed by shortage of shipping facilities but domestic requirements have kept the sawmills of the province busy. The types of wood required for construction purposes have been growing in favor and production facilities are stated to be fully employed.

Ontario types of timber are very similar to those found in Quebec, and in technical circles the two provinces generally are included as one area. Conditions in Ontario are very similar to those in Quebec, where demand has been more than adequate to take all the lumber that can be produced.

In Maritimes

The lumber resources of the maritime provinces generally run to woods of the coniferous type. Of the three provinces, New Brunswick is the largest producer with Nova Scotia next. Some hardwood also is found on the ridges of all provinces.

The prairie provinces have substantial lumber resources and have been producing substantially since the war began. On the whole, white and other types of spruce with pine and birch are the main types produced.

Forest Fire Damage

	Annual Averages 1932-41	1942
Total number of fires	5,985	4,791
Area burned—		
Merchantable timber ...... acres	587,112	318,435
Young growth	670,947	470,022
Cut-over lands	440,203	126,414
Non-forested lands	730,397	923,600
Total area burned	2,428,659	1,838,471
Merchantable timber burned—		
Saw timber, M. ft. b.m.	784,925	253,420
Small material, Cords	2,567,294	906,600
Estimated values destroyed—		
Merchantable timber	$2,954,811	1,169,923
Young growth	920,041	1,011,038
Cut-over lands	320,786	118,737
Other property burned	326,698	617,035
Total damage	4,522,336	2,916,733
* Actual cost of fire fighting	855,786	633,448
Total damage and cost	5,378,122	3,550,181

*Above regular organization costs.

How Forest Fires Start

Cause	Average 1932-41 No.	Average 1932-41 %	1942 No.	1942 %
Camp-fires	1,130	19	745	15
Smokers	939	16	884	18
Settlers	1,015	17	602	13
Railways	236	4	379	8
Lightning	999	17	996	21
Industrial operations	139	2	147	3
Incendiary	450	7	147	3
Public Works	58	1	53	1
Miscellaneous Known	417	7	465	10
Unknown	602	10	373	8
Total	5,985	100	4,791	100

New Technique In "Phenolics"

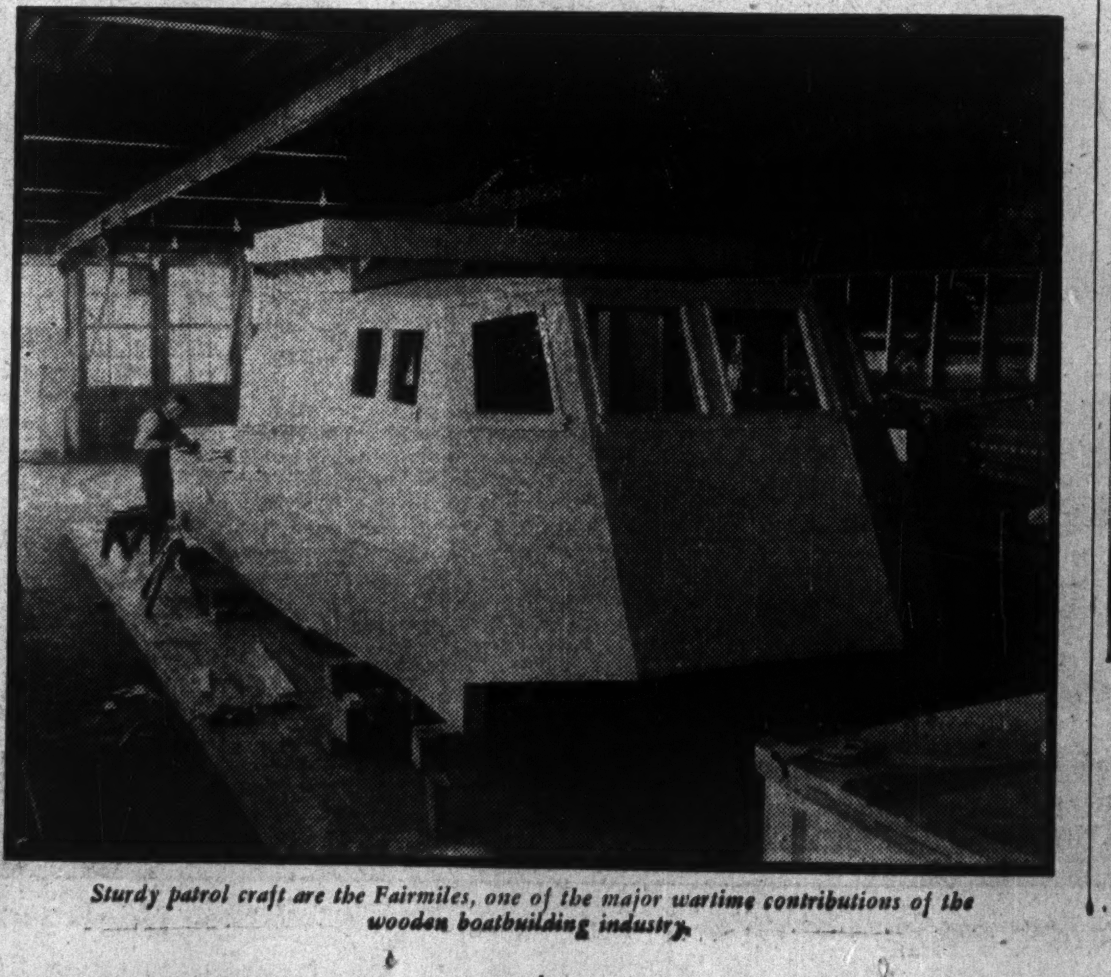
There has always been a demand for what are known as high-impact phenolic plastics, but during the past two years unusual strides have been made by the research departments of their manufacturers. Much of the impetus behind development has been brought about by the war. Their practicability is the direct result of the development of heavier molds in combination with greater pressure.

The volume of high-impact phenolics which would have been consumed several years ago did not encourage phenolic manufacturers to exert research facilities extensively. With the advent of the war greater range in impact materials is now available.

The primary reason why high-impact phenolics have not had wider use may be laid to the very physical nature of the materials themselves. To produce a very high impact molding compound a macerated fabric is required as filler—cotton cloth, chopped canvas, or other similar material.

When prepared for use with the resin the molding compound is necessarily fluffy or bulky and remains in a bulky state even after the combining process. A molding compound of such high bulk factor is difficult to mold. The size of piece which can be molded, however, is governed only by the size and pressure available in a press.

A short time ago several types of high-impact materials were developed which were made available in an unusual particle size. This material looked like dry rice, except for color, but it was easy to handle and could be preformed readily in standard machines.



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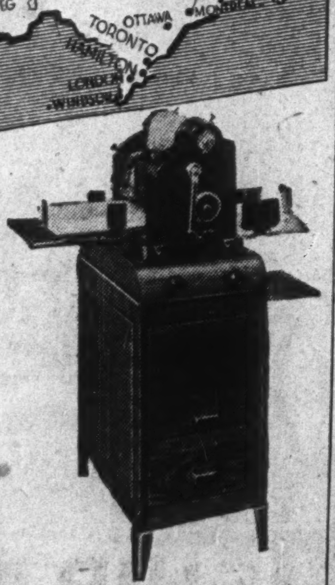

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Conservation in War Industry

Mass Production Methods Turn to War Work

General Motors Adapts Peacetime, Proved Techniques to Making War Equipment

By ARTHUR D. ELLWOOD

There are certain manufacturing methods for which the automobile industry is famous and which have been largely responsible for its spectacular growth over the past thirty years.

Best known is its technique of mass production of great numbers of articles identical in outline and use and made from interchangeable parts.

These well-proved techniques that served so well in peacetime have permitted General Motors of Canada to turn out a wide variety of war equipment in great quantities and at ever decreasing costs. Its engineering and production staffs tell you that they have done nothing

General Motors of Canada has turned out millions of dollars worth of war equipment and in doing so has discovered many ways to do the job at less cost, to use smaller quantities of materials and to substitute plentiful materials for those more scarce. The company uses peacetime mass production, assembly line methods to turn out gun mounts as well as motor vehicles. Its engineers re-design and improvise, constantly striving to cut costs and save materials and labor.

which they would not do if presented with comparable problems in peacetime. But with war's steadily growing pressure to turn out more and more materials, to save on scarce materials and to make a diminishing supply of labor go as far as possible, the importance of what is being accomplished grows.

Oerlikon AA Gun Mounts

A good example is the mount for the single Oerlikon anti-aircraft gun made at the Oshawa factory of General Motors. The Oerlikon is a 20 mm. quick firing gun, which has proved extremely valuable as protection against aircraft and which is very widely used by the Navy and on merchant ships.

When General Motors was presented with the job of making the mounts for these guns they were shown blueprints which indicated that the main feature of the mount was a huge steel casting which weighed upwards of 1,000 lb. in its finished state. This casting was a high dome-like pillar which would provide a solid mount for the gun but which presented tremendous problems in manufacturing and materials.

To an experienced automobile engineer it offered a wonderful opportunity for redesigning and for applying well proved ideas which he had worked out in his peacetime job.

50% Saving In Cost

The result is a mount which weighs only about 400 lb., which is made of a structural steel, welded and riveted into the required standard. It meant a reduction on cost for each mount from about $504 as originally expected to a figure of $275 at the year-end which has since been substantially reduced.

On each mount it meant a savings of 600 lb. of critical steel or 180,000 lb. of steel on the basis of the initial order alone. It meant that $38,000 need not be spent to buy two large engine lathes which would otherwise have been needed to machine the casting.

Material in the original cast model alone cost five or six times more than the steel used in the new type of stand. The cast stands were also more liable to having to be scrapped due to manufacturing errors than is the case with the new model. Moreover when the cast stand failed to pass inspection in any particular the whole thing had to be scrapped, something which is not the case on the structural steel type now used.

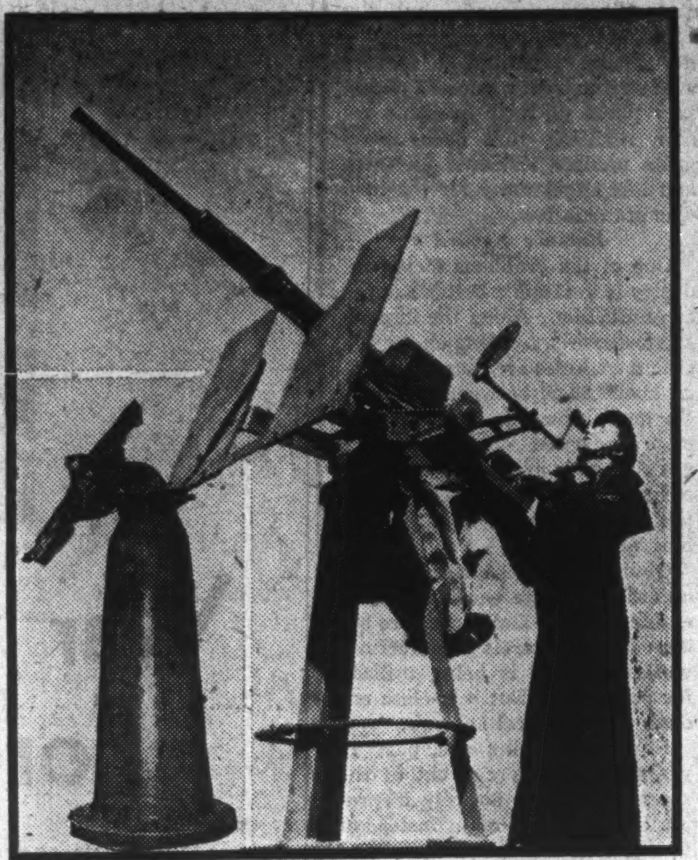
Assembly Line For Guns

Automobiles are assembled on moving lines which carry the unfinished product from station to station with new parts being added in the proper sequence. It was, therefore, natural that engineers so familiar with this technique should adapt it to production of war materials.

Regina Industries Ltd., a subsidiary of General Motors, has turned out many hundreds of mounts for the famous six-pounder anti-tank gun which has proved so effective a factor in winning Africa for the Allies.

This Regina plant had been used in peacetimes to assemble passenger cars and trucks from parts made in various other General Motors factories throughout Canada. It had a complete assembly line which had to be entirely torn out when time came to switch to anti-tank gun mounts. But General Motors engineers liked the assembly line method and wanted to see how much of this they could use in making the gun mounts.

The result was a modified type of assembly line which, they claim, is the only gun carriage plant in Canada using a conveyor system of assembly. How much faster they turned out anti-tank gun mounts as a result of this method is not known as they never tried any other method. But it can be accepted that the gains were important and that the contract was completed much sooner than would otherwise have been the case.



When General Motors of Canada undertook to make mounts for the single Oerlikon AA gun, its engineers transformed the base from a 1,000-lb. solid steel casting (shown at left) to a 400-lb. mount fabricated from structural steel. Cost of the new mount was half that of the old.

On this same gun mount, one of the most difficult manufacturing jobs was to make the recoil mechanism. This recoil mechanism combines a heavy spring arrangement with a hydraulic control and one part is a highly finished cylinder with tapered grooves on its inner surface. Making these grooves offered many manufacturing difficulties. A General Motors engineer developed what is termed a "multiple broaching method" whereby specially designed tools are linked together in proper relationships and three tapered grooves made at one operation.

So successful has this operation proved that visiting engineers from the parent company in the United States, faced with a similar difficulty on a job they were doing in their American plants, adapted this method which has since proved equally effective in the United States.

In the dozens of different types of war equipment being turned out by General Motors ranging from Browning machine guns to fuselages for Mosquito Bombers and a wide variety of military transport vehicles, other types of savings can be found.

All military vehicles are equipped with tire chain assemblies for use when the going gets tough. The original design on these chains differed from the ordinary peacetime tire chain in that the cross links were attached in the forms of continuous V's, requiring about twice as many cross links as an ordinary design would.

General Motors engineers found that a single cross link worked quite all right and secured permission to adopt the change. This rearrangement of cross links alone saved 9.2 million pounds of alloy steel, 80,284 man hours of labor and $1.1 million in costs in one year.

Power Take-off For Trucks

Sometimes military vehicles are equipped with attachments which are only used on special occasions. Looking around for ways in which to cut down the cost of these machines, to turn them out faster and to save materials and labor, attention was directed toward the power take-off attachment with which every military vehicle was equipped.

Investigation showed there were only a few which would ever have a chance to make use of them. Now this part only goes on where it is actually required and General Motors turns out its military vehicles at a cost which is $387,478 lower annually and which requires 652,602 lb. less of high-grade steel.

Tin is a scarce and critical metal and now that we have lost our normal peacetime sources of supply to the Japanese, any method to save tin becomes of paramount importance. Hundreds of thousands of pounds of tin are saved annually; petrol tins are made of lacquered iron instead of being made of tin plate; piston assemblies are given another type of finish instead of a light tin coating; funnels and filters are made of other materials instead of tin plate.

Headlamp door assemblies for military vehicles used to be made of brass, an excellent material if resistance to corrosion was the prime object but hard to justify when brass becomes so scarce. Now steel is used and a bonderizing treatment given to prevent rust. The result is 115,900 lb. of brass saved and $16,667 in lower costs reported.

Throughout every operation the key note is to use mass production techniques, a method easily adapted when orders are large. Even in minute and exhaustive inspections required on many wartime parts improved methods have streamlined inspection operations, permitting one operator to multiply many times the number of parts inspected, relieving the bottlenecks and increasing output.

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Beet Planting Falls Off C&D Sugar Shuts Plant

Special Correspondence

CHATHAM. — There'll be less home-grown sugar this year for every Canadian household. News last week that the Canada & Dominion Sugar Co. had shut down completely roused considerable alarm. The conferences held last week in the offices of Bill McGregor, company president, climaxed a series of incidents that had pointed the way to no sugar production since early last winter.

Farmers in Chatham and Wallaceburg might have changed the picture had they been in the fields growing beets. But they tell their own tale of sugar growing woe, and point to happy days ahead with a $2.50 floor on easy to grow, easier to market, soya and white beans to be planted "sometime soon."

Sporadic meetings for the past year between the C. & D. Sugar agricultural representatives from Ottawa and the farmers, never came to a satisfactory agreement. The government authorized a 55c. subsidy to breach the gap between the company's top price for 16 point beets, and the farmer's minimum price under which he would contract to grow.

When the last meeting took place during the winter, company officials believed a satisfactory price of $10 a ton had been reached. In the face of another run this year, comparable to other years they kept fifty maintenance, engineering and contact men in the plant. Last week a contract survey showed out of a potential yield from this district of over 150 million of processed sugar, farmers hadn't planted enough beets to produce 17 million pounds.

Plant officials checked costs, schedules and contracts. "We can't operate economically," said one officer, and at noon it was decided to close the plant. J. Harrison, chief of the Selective Service and Unemployment Commission for the district was handed a list of fifty-odd engineers, foremen, supervisors and machinists and told he could start placing them in other industry. Some with long service were sent to man a skeleton staff eighteen miles outside of Chatham at the Wallaceburg branch of the company where the company will accept delivery at the contract price for any beets now planted.

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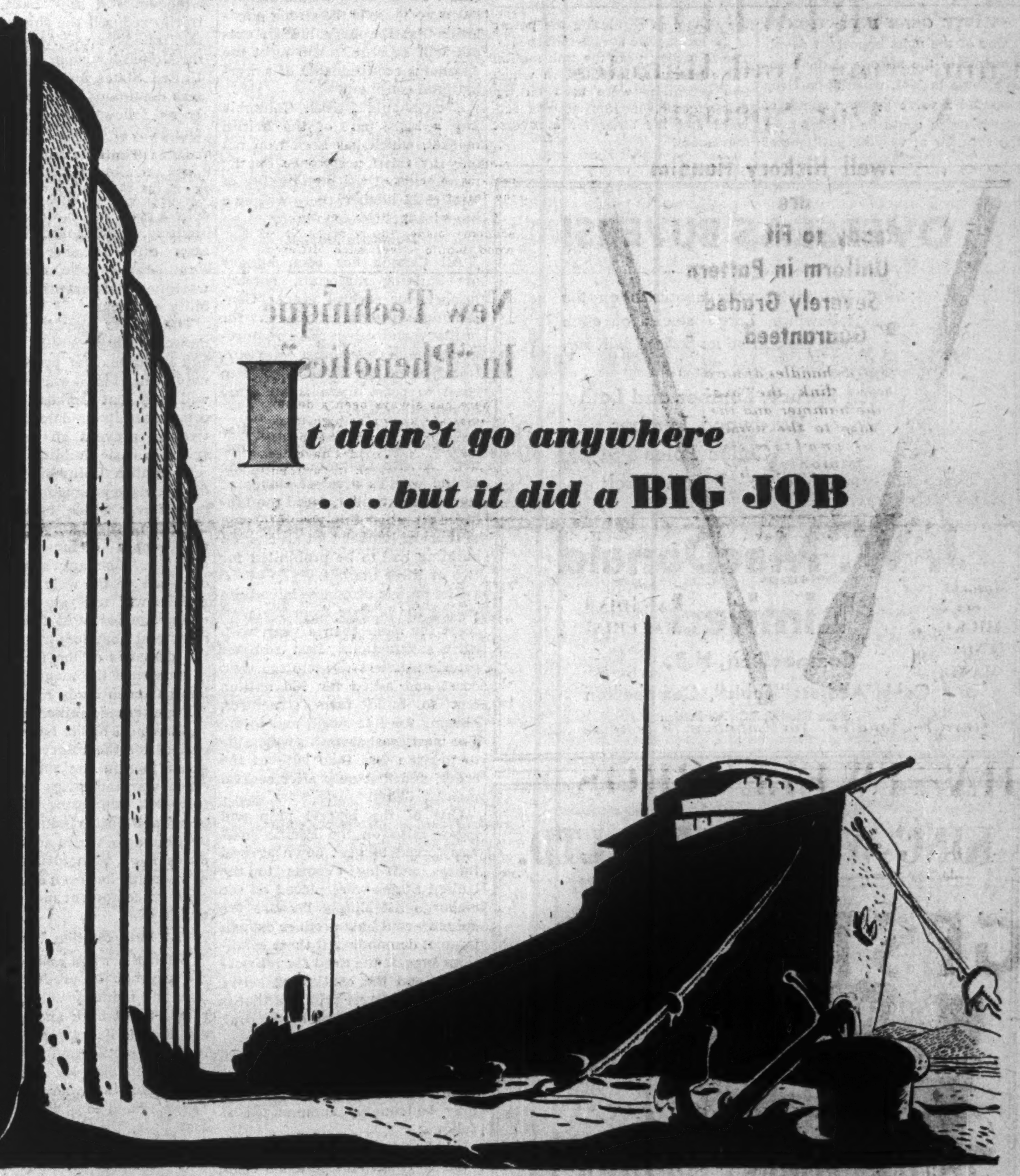

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THERE it lay all winter, drifted over with snow, locked in by ice. It didn't go anywhere, but last winter it helped solve the problem of storing the 409,388,185 bushels of Canada's wheat. With elevators bulging, the capacious holds of Canada's greatest inland fleet became floating granaries. Now with navigation open again, this wheat is moving to the eastern mills, well on its way to feed hungry Britain and her fighting allies.

It wasn't luck that made the C.S.L. fleet available for this important job. The fleet has been built over the years to handle the heavy commerce of Canada's inland waterways — waterways that stretch 2,000 miles westward from the Atlantic. That's a long way to go — but even when it doesn't go anywhere, every C.S.L. ship does a big job.

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B. C. Lumbermen See Postwar Sale For Every Stick They Cut

British Columbia lumbermen aren't worried about postwar markets—are convinced they will be able to sell every stick they can produce in the years following the return to peace.

The recent announcement from London that Britain would probably require four million new wooden houses after the war to replace those destroyed by enemy action was a straw in the wind.

If Britain places in British Columbia only a part of the order involved in such a program there will be assurance of many busy sawmills on the west coast. Four million new houses would mean a demand for some 25 billion feet of lumber, roughly ten times the total lumber production of the province in an average year.

Major concern of the lumbermen is the possibility that the return of peace may see the termination or modification of the Empire Trade Agreements, in which event British Columbia would be deprived of the instrument that in itself has been the most potent peacetime influence in breaking into and holding the British market.

Without the Empire preference, British Columbia might find it difficult to meet the competition of such countries as Russia, the Baltic states and Scandinavia, which of course have the tremendous advantage of nearness to the market as well as low production cost. To balance that situation, however there is the strong possibility that European lumber output will be required to meet the enormous requirements of a war-battered continent.

Even should British Columbia lose a large part of the British market, which has been won not only by tariff preference but by recognition of the high quality of west coast lumber, there will be a huge market closer to home.

Domestic Market

All Canada has been hungry for building materials, notably lumber, for several years. Construction programs except for military and other state requirements have been drastically curtailed, with the result that from coast to coast there is an acute housing shortage.

This lack will have to be met as soon as there is a surplus of lumber. British Columbia, with one of the world's greatest stands of commercial timber, faced the fantastic situation this year of being so short of lumber that all civilian building had to be prohibited for two or three months.

The prairie provinces have been asking for lumber from the west coast for more than a year, with little satisfaction. Last summer prairie retailers went to the west coast and asked for 100 million feet to build farm structures, housing for live stock, and so on. The west coast sawmills were able to provide less than 50% of the order, and that only after several months' delay.

One of the biggest pulp and paper mills on the Pacific coast was forced to shut down several times and log exports to the United States were placed on the embargo list simply because the industry could not produce enough to meet demand. All these conditions suggest the need for replacements and the continuing active market for forest products that is sure to be experienced by the B. C. industry for many years.

Lumber production has been behind demand for more than a year for a variety of factors. These may be roughly summarized as follows:

1. Lack of labor. This spring the logging industry alone could have employed 4,000 more men had they been available. The shortage of men in the woods made it impossible for the logging camps to carry out development essential to the maintenance of advance supplies.

2. Severe weather conditions. The British Columbia coast experienced one of its toughest winters in history in 1942-43. Logging was all but paralyzed for two or three months and some camps were handicapped by snow conditions until late in April.

3. Removal of price incentive. The lumber industry has responded to the call for more production, but west coast sawmills are among the few industrial groups in Canada that have been without price increases almost since the beginning of timber control in the summer of 1940. Sawmill operators complain that labor and other production costs, including transportation, have advanced, but that there has been no compensating increase in lumber prices, and that to embark on any long-range development work in new timber areas at this time would probably entail a loss.

4. Loss of the U. S. market. This is another economic factor that has resulted in lower returns for the lumber industry. A year ago about 50% of the lumber produced in British Columbia was being sold in the United States at higher prices and at a premium on exchange. Timber Control, recognizing the prior need of lumber in the United Kingdom and in Canada, arbitrarily reduced the shipments to the United States. At present the the United Kingdom, Canada, the United States and British overseas dominions are approximately as follows: 40%, 43%, 12% and 5%.

Timber Control

However, it is generally admitted that the Timber Control has done a good job in stabilizing the industry, and that its officials have been efficient and sincere in formulation of policies, dictated by wartime requirements and availability of stocks.

The orders may have seemed unnecessarily onerous at times and in defiance of practical business principles in others; but few will deny that Timber Control accomplished its fundamental objective—to prevent an inflationary spiral in basic building materials.

In British Columbia the chief deterrents to production have been factors over which the Price Control has no regulatory authority—the supply of men and the weather. Ask any sawmill man or logger on the west coast today, and he will tell you that the industry suffers most from lack of men, and that so far as meeting the demands of the forest trades is concerned the manpower problem has been badly handled.

Experienced, skilled woodsmen and sawmill hands have been recruited for the reserve army and given jobs in the shipyards and other war industries despite the fact that lumbering, the No. 1 bread-and-butter industry of British Columbia, which annually produces more than $100 million in new wealth, has been continuously short of competent men for more than a year.

Reforestation Work

When the war's end terminates the urgency of production perhaps the industry will be able to afford to sit back and give more attention to its fundamental problem of depletion and utilization.

Even though log and lumber production this year is down between 15 and 25%, compared with last year, the cutting of timber and the loss through fire and other agencies of destruction are far in excess of replacement through natural or artifical reforestation.

The Provincial Government and some of the wealthier timber companies have embarked on fairly extensive replanting programs, but these are still believed inadequate for the perpetuation of the industry. It is generally acknowledged that the next decade will probably see the disappearance of the last great Douglas fir stands that have been the backbone of lumbering for the last half century.

The industry is planning to meet the challenge of that situation. In the new forest era on the west coast there will be less production of boards in their present form, and more fabrication of boards, more production of pulp and paper, plywood, plastics and chemical derivatives of wood. These developments will call for resourcefulness, ingenuity, courage and capital, but the industry on the west coast has not been lacking in these qualities in the past and it may be counted on to make a good showing during the period of transition, already underway.

Meanwhile efforts are being made to develop means of preventing waste, of making the greatest possible use of forest material. Here is a job for the scientist and engineer as well as for the practical logger and lumberman.

British Columbia is still wasteful in its handling of its most valuable natural resource, but the situation is gradually changing for the better. Hard-boiled loggers who used to treat waste as a necessary phase of their business are now realizing that such losses mean reduced revenues for them and less opportunity for the men who are to follow.

Balance Needed

One of the problems facing industry is to attain a better balance of production. Along the important forest area fronting on the Pacific the species are roughly divided about 50-50 between saw timber and pulpwood. Such an estimate is based on the natural growth and availability of fir, cedar and pine in respect to saw timber and spruce, hemlock and balsam for pulp.

Obviously, this is not an entirely accurate estimate because considerable hemlock and spruce are being used for aircraft manufacture, while some fir is being utilized for pulpwood. But it is close enough for a general analysis.

However, during the past 18 years the commercial cut of the species has been entirely disproportionate to the stand. Instead of there being a more or less equal division, 80% of the saw timber has been cut and only 20% of the pulpwood.

This signifies not only that there has been a serious over-production of saw timber, with the threat of earlier exhaustion of fir, cedar and the pines than is economically desirable, but that there is a vast storehouse of pulpwood that has so far been neglected.

A hopeful indication that the balance may some day be righted lies in the increased exploitation of hemlock as lumber, a development for which Leon Korner, Czech sawmill operator, is due a good deal of the credit. Korner proved that properly dried hemlock is equal to many of the more familiar grades of lumber, and other operators are taking the cue and producing it too.

This does not alter the fact that British Columbia's forest destiny inevitably lies in great expansion of the pulp and paper industries and in utilization of timber that has in the past been either inaccessible or considered undesirable by lumbermen seeking quick markets and good prices.

In a broad sense the timber situation in British Columbia has not changed greatly since F. D. Mulholland, of the provincial forestry service, in his comprehensive analysis of the industry, wrote:

"In British Columbia it has been evident for some time that the forests, with protection only, will not continue indefinitely to support the great industries already established, to say nothing of the increased production which is now being actively planned.

"It is time to institute measures providing for more successful reforestation. It is also time to prepare for some regulation of the cut so that the great store of virgin timber on the accessible areas may not all be used up before sufficient second-growth is ready to take its place.

"Management for a sustained yield is essential for the permanent prosperity of British Columbia's greatest industry and it demands immediate attention. If it is not introduced before the present large forest revenues have disappeared, it is doubtful if capital will be available for the extensive rebuilding of denuded forests which will then be necessary."

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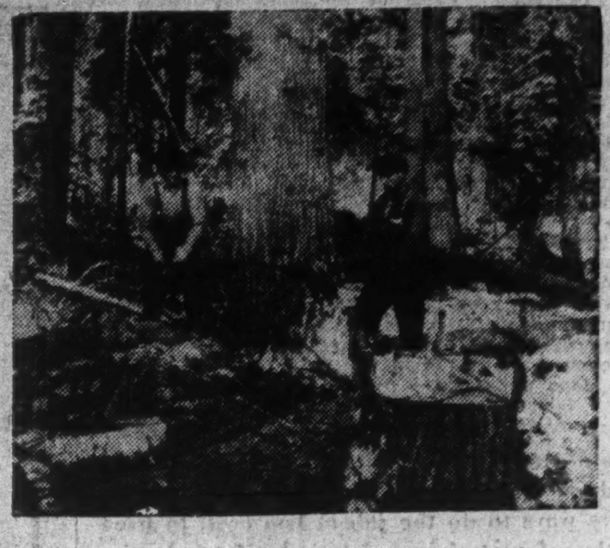

War Increases Forest Fire Hazards

Labour scarce! Yet more timber needed! Usual winter operations are not enough — hence summer production in 1943 with its greater risk. This calls for extra care on the part of every lumberman, every man, woman and child in the timber country.

Employers please assist by bringing the importance of this matter to the attention of your personnel

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DEPARTMENT of LANDS and FORESTS ONTARIO

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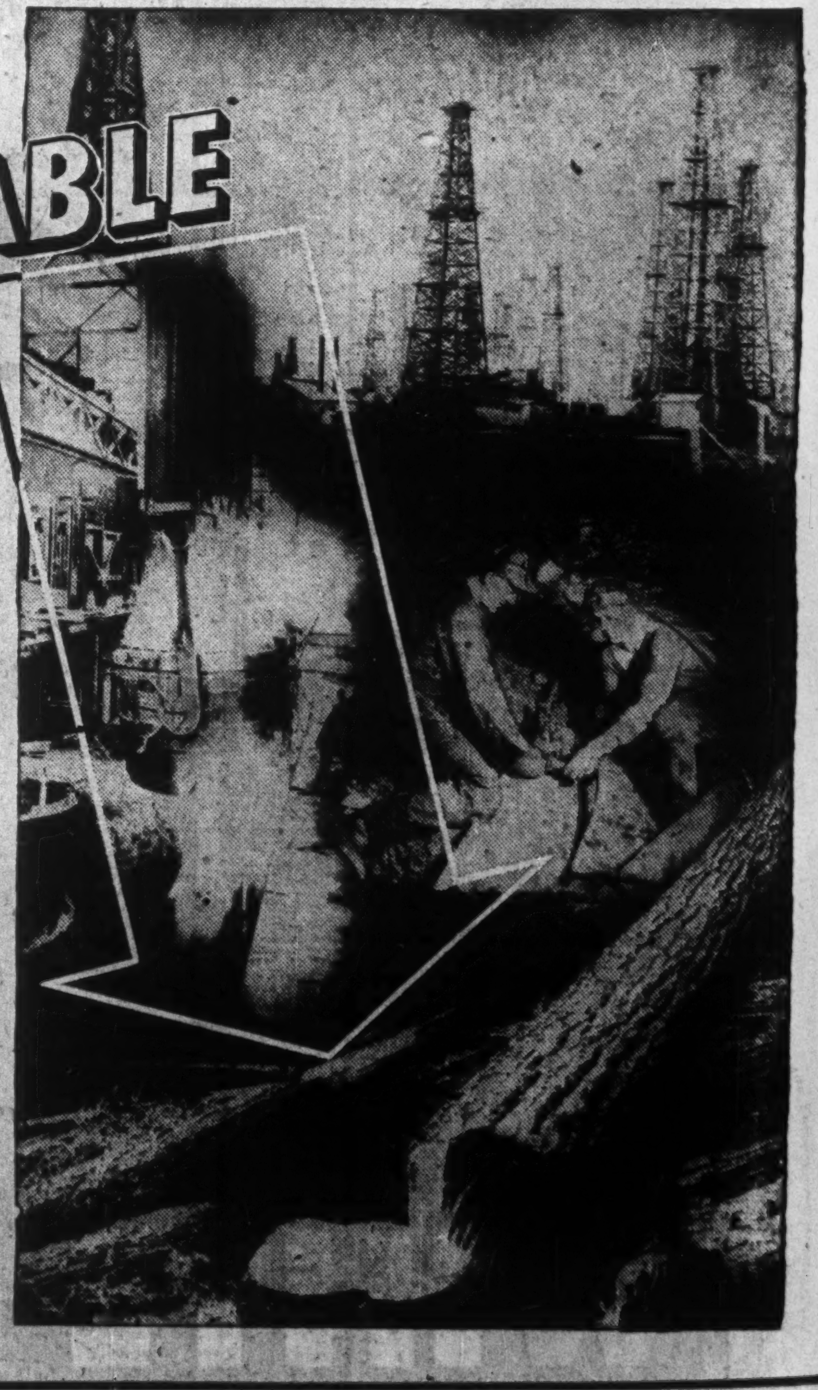

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Association effort in the Lumber Industry is helping to assure continuous replacement of this vital material as well as greatly contributing to the stabilization of Canada's economic structure.

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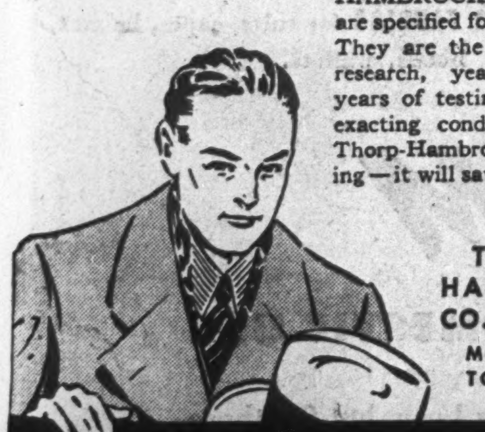

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Wooden Ships For Iron Men

Caulking Mallets Ring Again in 40 Canadian Yards

By LT. PHILIP LEE, RCNVR

It took a war to revive Canada's wooden ship industry, but today the era of "wooden ships and iron men" has found its reincarnation in more than 40 national shipyards which are turning out fighting craft for a fighting Navy.

Once again is heard the ring of caulkers' mallets and the drone of woodsaws as forgotten men of an almost forgotten trade skilfully fashion rib, keelson, sternpost, knee and elbow for many types of vessels.

These yards are situated on the east and west coasts, adjacent to the Dominion's great timber preserves. Mainly, however, they are based on the shores of the Great Lakes and on the banks of the St. Lawrence.

Here, in these yards, skilled builders fashion minesweepers, 100-ft. subchasing Fairmiles, gate vessels, Cape Island boats, pinnaces, water scows, motor launches, plywood dories, practice targets, Diesel launches, pulling boats, service boats, cutters, rescue launches, wood skids, rowboats, supply and salvage boats, battle practice targets, whalers, towing targets, derrick scows, refuelling scows, lifeboats, collapsible assault boats, drop-keel dinghies, general unity harbor tugs, skiffs and harbor patrol craft.

Old Days Recalled

Fortunately, when the wartime needs of this industry were discovered, there were enough keymen to form the nucleus of a modern program. They were the heirs to Canada's onetime shipbuilding greatness dating back to 1840 to 1890, when Canada owned and operated a vast fleet of merchant ships and had captured a great portion of the world's carrying trade. In 1878, Canada was fourth among the ship-owning countries of the world, with 7,196 vessels aggregating 1,333,105 tons.

Upon the comparative few who knew the niceties of the adze and had served apprenticeship in the oldtime yards, rested the responsibility of teaching the new men.

Though the skill of the oldtime shipbuilder is still a requisite of the industry, modern implements and machinery have eased the actual physical burden of the job and made production figures soar.

One such instrument is a shipsaw that will cut at any angle in the manner of a fretsaw. This instrument accomplishes in a very short time what used to mean days of backbreaking labor for the adze wielder. The shipsaw, really a bandsaw, turns out ribs, shoulders and elbows by the skilled manipulation of levers with astonishing rapidity.

Wooden Minesweepers

A monument to the craftsmanship of our shipbuilder is the minesweeper. These, with the exception of armament, engines, and fittings are constructed entirely of wood.

This modern 'sweeper is as sturdy and seaworthy as its steel and iron counterpart. Smashing seas and the constant reverberations of powerful Diesel engines are turned aside by tough timber and staunchness of design.

At the beginning of the revival, large quantities of teakwood and mahogany imported from British Honduras went into the construction of these ships. But with misfortunes of war and our loss of Burma and its teakwood, Canadian woods were used as substitutes with no ill effects to the final outcome.

Native Woods Used

At the present time elm from Ontario is used for gunwales, chines and ribbons. Cradles are constructed of British Columbia fir or pine, while B. C. cedar lines the inside of many craft. Plywood made from Quebec birch and Ontario maple is used extensively to lessen weight. Spruce is used for the heaviest components of the larger vessels, such as the sternpost, knees and timbers.

Another triumph for the wooden shipbuilders is the 100-ft. Fairmile. This 80-ton craft is a U-boat worrier of the first water and is made entirely of wood. Known in naval circles as the "Q-boat" (because they are christened by number rather than by name and each number is prefixed by the letter "Q") these little ships are manned by 16 men including two officers, and hunt the enemy off our shores in flotillas of seven and eight.

One of the most interesting of the smaller craft being built is the collapsible assault boat. This craft is 12 ft. in length and will carry a load of 2,000 pounds and still preserve a 10-in. freeboard. Its bottom is constructed of stiff plywood and its rigid laminated wooden gunwales are connected by collapsible canvas sides.

"I WON'T TRADE UNLESS YOU THROW IN TWO CARROTS AND A CABBAGE!"

Tree Planting in Canada

While reforestation is "not the answer" to the depletion of Canada's forests, according to D. A. Macdonald, acting Dominion forester, Ottawa, it is nevertheless serving a useful purpose in establishment of woodlots, the making of farmland shelter-belts, and in restocking marginal or burned-over lands and abandoned farm areas which are not being regenerated by natural means. The following table shows the extent of tree-planting in Canada up to the spring of this year.

	Seedlings planted		Area planted (acres)	
	In 1941	To date	In 1941	To date
Nova Scotia	118,000	3,142,000	70	1,153
New Brunswick	......	66,000	.....	30
Quebec	3,667,000	84,548,000	2,229	54,195
Ontario	17,267,000	185,600,000	10,790	114,930
Manitoba	236,000	3,010,000	145	1,133
Saskatchewan	116,000	1,134,000	70	530
Alberta	150,000	750,000	94	316
British Columbia	8,752,000	13,887,000	11,000	14,762
Private Organizations	200,000	6,822,000	125	4,270
Prairie Shelter-belts	5,853,000	184,086,000	.....	.....
Dominion Research Stations: (Experimental)				
Acadia	19,000	41,000	12	31
Valcartier	......	754,000	.....	511
Petawawa	8,000	501,000	7	932
Kananaskis	65,000	65,000	41	41
TOTAL	36,451,000	484,496,000	24,583	192,834

Between dog-fights he builds a bungalow —4000 miles away!

JIM B........... is just an average Canadian.

But he's living a far-from-average life . . . Jim is one of the fighter-pilots who have done such a grand job of sweeping Britain's skies clean of Junkers and Heinkels.

Whenever the alarm sounds, he's off like a flash on his job of strafing Huns. But Jim doesn't think much about them in off-hours . . . he's too busy building a bungalow—a bungalow that's 4000 miles away.

When Jim joined the RCAF, he was studying architecture. Half-way through 'Varsity. That was where he met Mrs. Jim. She thought he was a marvellous architect. Naturally, they were going to design and build the last word in bungalows.

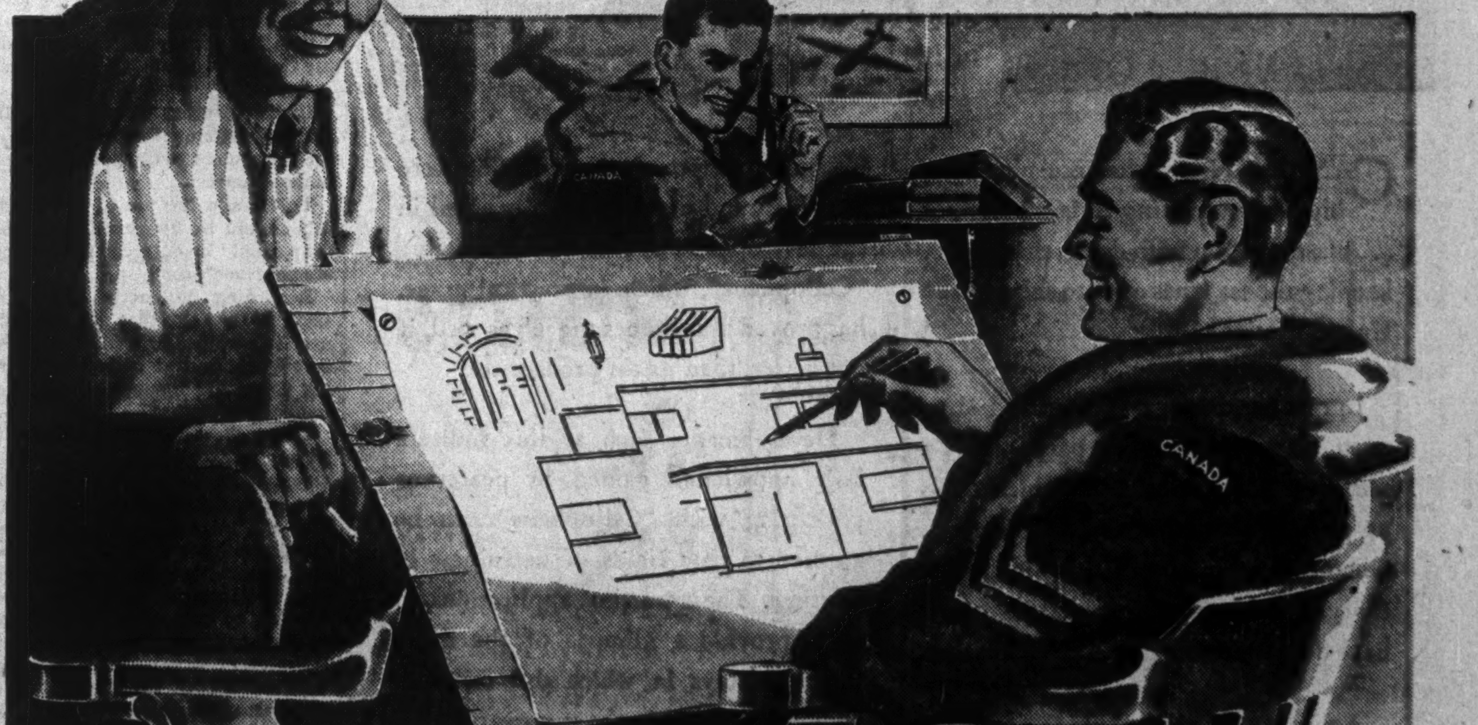
Jim's pals in the Flight, especially the married ones, have helped out with practical advice. They've made lots of suggestions to improve that home he's planning 4000 miles away. "The best insulation you can get" advises one—"Make your kitchen and shower cabinet of Masonite Temprtile" says another.

(Jim and his wife haven't *started* building their bungalow yet . . . but they're well on their way towards paying for it!)

They're building it the *easy* way, the sensible way —with Victory Bonds and War Savings Certificates. They've saved every dollar, denied themselves pleasures, made old things do, just to buy the *extra* Bond. They *know* that Victory Bonds are the safest, surest *guarantees* of being able to buy what you want, when a host of wonderful things will be available again after the war.

It's our business* to help folk like these enjoy more comfort in their homes. And we're thankful to them for buying Victory Bonds at a time when the latter are "rain-checks" on the future. Victory Bonds mean a wealth of post-war purchasing power, *and* a world of peacetime jobs to which our fighting men can return.

So, here's luck to Jim, his wife and their bungalow!



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Forest Conservation

Canada Turns to Tree Farming

Forest Management, Replanting, Planned for Postwar

Important in the stabilization of Canada's postwar economics will be the tracts of developed and undeveloped forest which cover one third of the country's total area and about 58% of the area of the provinces.

Timber is one of Canada's chief natural assets, providing at the outset of the war a balance of trade amounting to some $350 millions annually. So far, long-term forest planning has been done on a comparatively small basis.

But in recent years there has been a trend toward more and more silviculture by provincial forestry groups. Each province, under the present system, is responsible for the administration of its own lands, and techniques have varied according to regions.

Emphasized is the need for prevention of forest fires. New planting, according to foresters, is of less importance than proper care of existing stands, since most types of Canadian trees have been found to re-seed themselves well.

Cutting, as well as fire protection, has received attention.

New Uses

It is believed that present commercially valuable species will remain so after the war, but many new uses for wood products are foreseen. Plastics, for instance, may be made from mill material previously considered waste.

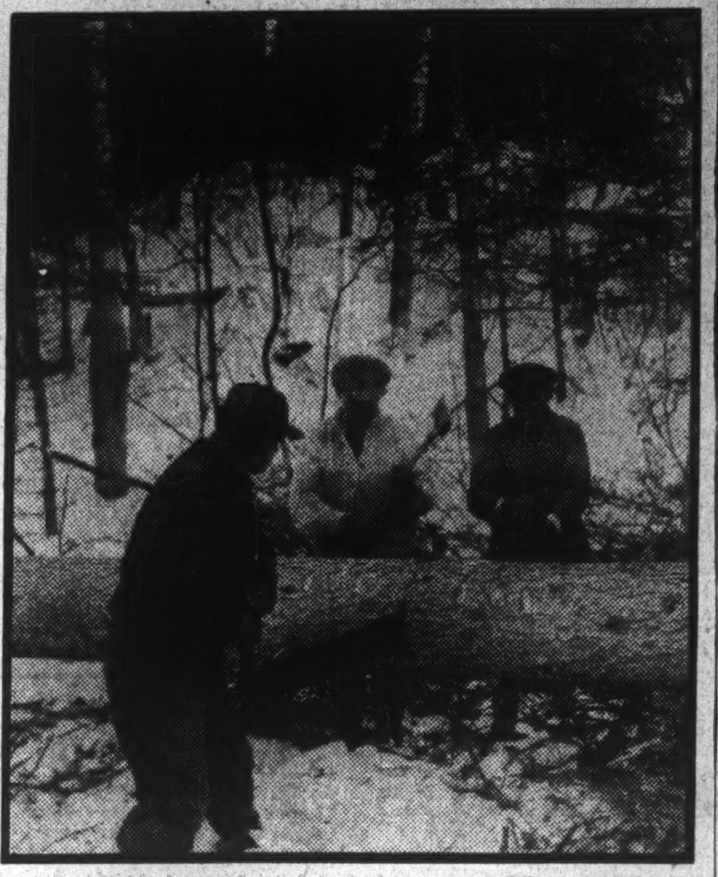
Hardwood, plywood, or even softwood will be ground up and pressed in molded forms for use in the manufacture of airplanes, furniture, barrels, automobile bodies.

Some experts even think that species at present commercially valueless may be utilized, in ground up form, as stock feed.

It is calculated that a growth of 14 cubic feet of timber per wooded acre in Canada per year would be sufficient to cover all depletion whether by fire or by logging operations.

Necessity is seen, however, for highly efficient methods of logging and production in the postwar period if Canada is to retain her place in world markets. Russian and Balkan timber will very likely reappear as a competitive factor for the British import trade.

Two urgent postwar needs for Canadian lumbering have become apparent — public works and roads extending back into leased land to permit cutting in the best regions, and a corps of young men trained in forestry methods.



One of the major problems as the demand for timber increases is securing adequate crews of experienced woodsmen

Postwar Rehabilitation

Such projects are also important in prevention of depletion of certain areas while others remain virtually uncut, and may fill an important purpose in postwar schemes for rehabilitation and re-employment. It is estimated that 10,000 men may be trained and put to good use immediately after the end of the war, and later a larger number.

Reserves for the pulp and paper industry in Canada are considered ample at present, but authorities state that cutting has been carried out on too large a scale too close to the mills. A suggested solution is that private corporations be given longer leasehold by the provinces, so that they will become their own conservationists in order to maintain reserves.

In a recent statement on forest policy, the Canadian Society of Forest Engineers advocates four general principles:

(1) The fostering of an intelligent and permanent public interest in the wise use of forest resources is the greatest need of forestry in Canada.

(2) Adequate forest protection is essential to progress in other directions.

(3) Plans for improvement in forest practice, to be successful, must take full account of economic realities.

(4) Details of policy with respect to forest operations, management, research, etc., must be developed on a regional basis. Boundaries of the regions will be dictated by economic or administrative factors, either individually or in combination.

The society states that the Dominion Government has direct interest in the maintenance of forest resources and industries, and should support a comprehensive program of research. It should continue to cooperate with provincial authorities and with industry, and be prepared to assist in co-ordination of efforts whenever possible.

Dominion Aid

Dominion financial assistance to those provinces whose revenues are insufficient to provide the "essential minimum" of protection is urged.

Private owners should maintain their own forests in productive condition, the society states, emphasizing farm woodlots as particularly important.

Under "Forest Protection," the society's statement notes that 85% of the forest fires in Canada stem from human sources.

Travel and the use of fire in forests should be by permit only; fire laws should be enforced and offenders punished promptly.

Regarding destructive forest insects, it is held that the essential need is a unified forest insect survey through a central body co-ordinating Government services and forest industries.

Under "Forest Administration" the society sees a need for more uniform forest laws. It is pointed out that wood-using industries are national in scope. A permanent interprovincial liaison board is recommended, and amendment of existing legislation of tenure to license and leaseholders, to encourage more permanent management of holdings.

Scales of pay such as to attract men of ability for trained forest engineers, rangers, scalers, are advised.

Lands Classified

It is suggested that lands should be classified to segregate agricultural from true forest soils, by boards comprising representatives of agricultural, land settlement and forestry departments.

It is pointed out that intensive management of all Canadian forests is at present not feasible. Attention should first be concentrated on the best accessible lands.

More forest research is also advocated, with special enquiry into the relationships between tree diseases and the forests, evaluation of damage by such and development of controlling techniques.

In almost every forest area of Canada different forest circumstances are found which must be met with different methods of forest management. In Ontario, for instance, two distinct regions are found, each with its own problems. In southern Ontario, according to the Department of Lands and Forests, there are three main considerations, since the problem is largely one of settlers' woodlots and the rehabilitation of abandoned or marginal farm lands:

(1) An experimental study to determine what should be done in the postwar period is necessary, and what financial outlay will be required to bring back the barren or almost barren forest lands.

(2) Extension foresters should be stationed among settlers to provide assistance. A skeleton administrative staff is an immediate need, so that districts can be organized later.

(3) A subsidy, it is felt, may be necessary to encourage planting. The Government now provides trees free of charge, but there is no inducement for the hiring of extra labor necessary in planting operations.

In northern Ontario the main problem is to place under management an extensive area north of the agricultural region. More adequate protective measures are felt necessary, provision for transport (roads and stream improvements), recreational facilities in possible "tourist areas," and cultural treatment of young growing stands of valuable species on accessible areas.

B. C. is Planning

In British Columbia extensive postwar forest programs have been suggested. It is believed that park development could be co-ordinated with a reforestation project so that the men now needed for planting in the spring (some 550) could be employed full time. It is understood that from the point of view of the work to be done, an additional 500 men could be employed for two years.

At the present rate of progress new area reforested each year amounts to close to 10,000 acres. In two years 22,495 acres have been restocked. Extension of the program is understood to be under consideration.

The average annual cost of each unit of 10 million trees in a postwar planting program would amount to $150,000. Each unit would require 12 men working at full time in nurseries, 50 men, full time, preparing planting sites, and 550 men for two to two and a half months for planting and extra work during March and April.

Since British Columbia depends at present upon its forest land for more than 40% of its total income, the consideration of postwar forestry is of vital interest to the province.

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At left: An asdic (Anti-Submarine Detection Inspection Control) officer listens for the beat of a sub's engines. This picture is taken from "Action Stations", a National Film Board feature. *Above:* Dropped from a corvette, a depth charge explodes with shattering concussion.

CANADIAN corvettes are playing a big part in hunting Axis submarines . . . blasting them with depth charges . . . keeping the sea lanes open to ships of the United Nations.

In this hazardous task a secret instrument plays an important part — it is a sensitive "mechanical ear" which picks up the tell-tale beat of undersea engines. On information supplied by it, depth-charges are dropped . . . charges which have destroyed many an Axis submarine.

Accuracy of this vital instrument's work is dependent, in part, on the efficiency of a container enclosing part of the apparatus. Formerly this container was made of tin but to conserve metal an alternative material was sought.

Technicians from our organization were consulted and they successfully aided in the development of a container utilizing "Cellophane", which, in practical usage, has proved that it does the job as well, if not better, than its tin predecessor.

Developments such as this indicate how knowledge gained in peacetime packaging with "Cellophane" can be applied to new fields of usefulness in wartime. These wartime applications, in turn, provide a glimpse of the many practical ways in which this cellulose film may be used in the post-war world.

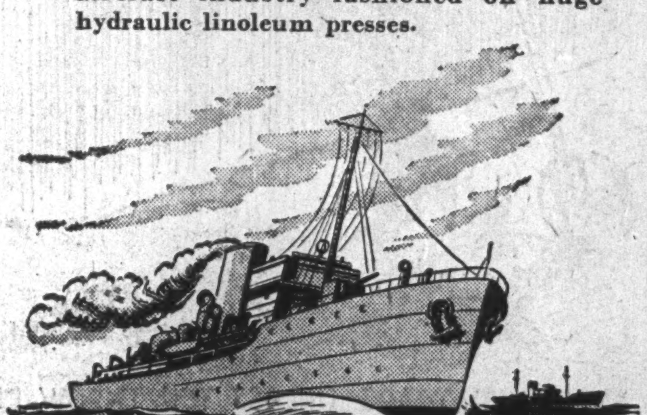
Cellophane TRADE MARK

C·I·L CELLULOSE FILM

C·I·L

1. **ALUMINUM PARTS** for aeroplanes. Thousands of different sections for Canada's aircraft industry fashioned on huge hydraulic linoleum presses.

2. **TARPAULINS FOR** trucks, cargo covers, etc., specially proofed to resist flame, gas, mildew, and the arctic weather.



3. **LINOLEUM FOR** Corvettes, Air Force Schools, administrative establishments, munitions plants and hospitals.

4. **ANTI-GAS FABRICS** for suits, capes, helmet curtains, hoods, wallets.

. . . BUT **LINOLEUM**

IS STILL AVAILABLE FOR DOMESTIC USE

The above priority war jobs are keeping us busy, but for those who need it, linoleum is still available. Not, perhaps, in as wide a range of patterns or colours as usual, but a range still broad enough to provide ample choice.

However, buy only if needed and take care of what you have. Write for our booklet on "The Care of Linoleum."

DOMINION OILCLOTH & LINOLEUM CO. LTD. MONTREAL